

# MINNESOTA Journal

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## Meeting Minnesota's transportation needs Policymakers must address immediate and long term challenges

by Matt Shands

People stuck in traffic, people hurt in traffic accidents, those reliant on public transportation and businesses moving goods to market are all confronted with the problems in our transportation system. While the public is voicing more concern about these problems, politically, transportation lags behind education, health care and other issues in the list of top priorities.

The increasing problems with the state's transportation system have not gone completely unnoticed by state policymakers. During the 2000 legislative session, in the midst of the campaign to "give it all back," lawmakers provided one-time surplus dollars for state highways. Last spring, lawmakers passed a transportation financing plan. This plan relies on borrowing, authorizing the sale of \$400 million in highway bonds, which will be used to leverage nearly \$425 million in advanced federal funds. The spending plan was very targeted; the commissioner of transportation chose the projects that would be funded.

In spite of some one-time funding, there is universal agreement that the demands on the state's transportation system—including both current and future needs—far exceed the resources available to address them. In fact, transit systems have seen their budgets cut over the last several years and local road systems have not seen a significant increase in funding since 1988. The Governor and state lawmakers still have their work cut out for them if the state is to successfully address the current and long-term transportation investment challenges.

State lawmakers should keep two general goals in mind. The first is to focus on addressing the existing needs that have resulted from the lack of investments over the last 15 or so years.

While the one-time funding was helpful, it was not nearly enough to make up for the neglect of the transportation infrastructure.

The second goal is to anticipate the needs of the state 20 or 30 years into the future, and to build a transportation network that can support the state's economic growth and demographic changes over that time. The population of the metropolitan area is expected to increase by 1 million people by 2020. Minnesota's business sector will require a transportation network that allows it to successfully compete in the global economy. New technologies are being developed today that will enhance the mobility and safety of all users of the transportation system. All of these factors must guide the policy decisions that will determine the type of state we will become in the future.

### Existing transportation investment issues

Existing revenue streams are not keeping up with the demand. To illustrate, the state's gas tax was last increased from 17 cents to 20 cents nearly 15 years ago. The gas tax is one of the principal funding sources constitutionally dedicated for road and bridge construction and maintenance on both the state and local systems in Minnesota. In inflation-adjusted 1988 dollars, the 20 cent gas tax is now worth about 12 cents, so the state and local road systems that rely on this revenue have had to make due with fewer resources in real terms than were provided 15 years ago.

To address the system's immediate needs, state lawmakers must confront the following specific questions:

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# Creating a culture of charity: a new social compact

by Chuck Neerland

Americans practice a high level of charitable giving. In his book, *The Radical Center*, Ted Halstead reports that the United States has an exceptional culture for charitable giving and volunteerism compared to other industrialized nations. Charitable giving in the United States totaled \$190 billion in 1999, and approximately 75 percent came from individuals. In addition to monetary charity, Americans volunteer in their communities at levels high above many of their European counterparts. In an article by Karl T. Greenfeld, "A New Way of Giving," published in *Time* (July 24, 2000), 49 percent of Americans "volunteered for a community purpose," compared to 13 percent of Germans and 19 percent of French.

Given that, has America maximized the benefits of charitable giving? It does not seem so.

There is, however, a gap between our growing need for charity and the prospects for charitable organizations to fill that need, a gap that makes both donors and recipients more cynical about the ability of charity to effect change. Even worse, we seem to accept this state of affairs as intractable. We comfort ourselves that while our charity doesn't make that much difference, we're the better for it. Giving is often accompanied by judgment or discernment about the recipients—they are less well-off, perhaps even less worthy—a stratification that does not serve the purpose of charity. At least we feel better about ourselves as we go through the drills of philanthropy, whether or not we can discern if our charity makes any impact.

In looking at this situation, I took everything I knew about our obligation to give, and twirled it around like a baseball until I came up with a new grip. Here's my idea: let's teach charity and the self-esteem that giving engenders, instead of teaching dependence. With our charity should go an admonition to be charitable in return. Provide food, shelter, hope, and opportunity through the mediums of government, individuals, or private institutions, but over and above all that, insist on providing instruction in the art and practice of charity.

Condescension and the huff of the patronizing do-gooder might mark our beginning efforts, but teaching people to be responsible for helping others when they receive charity will inevitably lead to more of us experiencing the dignity and responsibility of giving. A culture of charity could be our new way, our new bargain—our new social compact.

Inculcating the spirit and obligation of charity is something else; it is radical democracy. We're all equal in the eyes of Mother Charity. We can trivialize this concept as a sort of daisy chain of niceness, a

**It's a three-part strategy: we give you a fish; we teach you to fish; we urge you to give away one of the fish you will eventually catch.**

good-feeling, pass-it-on thing. But creating and sustaining a revolving spirit of charity is the obvious, but difficult way to increase the effectiveness of our charitable culture. What we must do is devise the tools that could fashion this new social compact.

How do we increase participation and effectiveness in what is already the world's best example of charity? The extreme "carrot" would be for government to be involved mostly with financial incentives—from increased tax deductions for giving in specific areas of greatest need, to stipends or expense reimbursements for critical volunteering efforts. This would stimulate participation, hopefully from all walks of life. Government must offer some guidance on where to create those incentives for greater participation—perhaps in government programs that have never been able to meet needs, or have had budgets slashed in recent years.

But this only addresses the "giving" side of the equation, and not the question of how to bring giving full circle by convincing those with less to give of the value of their giving. Should government require those who receive charity to then volunteer their services in the areas they have defined? Another possibility would be to

encourage donor organizations to promote and deliver a message or curriculum on the obligation to give—in whatever way you can—when you receive, to build the culture of charity.

Perhaps we can unleash a legion of mentors with a pass-it-on curriculum—courses or practices in giving—until we create a culture of charity. It's a three-part strategy: we give you a fish; we teach you to fish; we urge you to give away one of the fish you will eventually catch.

Think about the Widow's Mite story in the New Testament, how the poor widow looked good compared to the big rich guy who only gave away his pocket shekels. The lesson goes beyond the rather pointed jab at the selfishness of this particular rich man. The lesson is, in part, that the widow gave anything at all. She gave out of her meager share. She was both poor and charitable, a marvelous and potent combination.

Consider a society in which the poor provide the example of how to be charitable.

I actually tried this notion on a couple of foundation executives in another part of the country. They twisted their baseballs and didn't find much of a new grip. They were wed to a way of doing business in their exceptional and noble profession, and they were afraid, I think, that the idea had a kind of a patronizing, elitist tone. Perhaps.

On a more practical level, our current budget crisis should compel policy leaders in government and the nonprofit/foundation community to consider radical changes to our notions of charity. Otherwise, absent some form of higher purpose to pass on, we will continue to give more and get less. The haves will go through the motions. The have-nots will receive, become dependent, get discouraged, die. We need the help of the have-nots. We need their charity.

Jesus could have said, "The rich will always be with us, but it's the poor who will save us." To create a culture of charity and establish the next social compact, all of us who receive charity—in all of its forms—must learn to pass it on. **MJ**

*Charles S. Neerland is a public affairs consultant, and former President of the Citizens League Board of Directors (1983-84).*

# Viewpoint

## What Next? Start Building an Ark.

by Sean Kershaw

*Maybe you'll  
be president,  
But know  
right from wrong  
Or in a flood you'll  
build an ark  
And sail us to the  
moon.*

—Radiohead, “Sail to the Moon”



Which is worse: to be unprepared when trouble hits, or to lose your compass and not know where to go? Underwater? Or to the moon?

Ted Halstead's recent speech at the Fitzgerald Theatre, and the reaction to his ideas and arguments help to focus—and inspire—the work before us at the League and in the community. While it is clear that we face a number of challenges, the size and enthusiasm of the Halstead audience proves clearly that there is community interest in coming up with creative new ideas to address these challenges. But what do we do next?

I want to suggest that we prepare for a “flood,” which actually may be the only way to avoid one. And no, I haven't become a pessimist.

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### The flood

As successful as we are right now as a state and a metro region, long-term fiscal and policy trends are a major concern. Even at the “local” level, many important institutions and organizations are not achieving their fundamental missions. Often professionals are caught in the middle of these under-performing institutions and lack perspective, or sitting at the top and afraid to admit that the emperor (their key institution or system) has no clothes.

The evidence: demographic and fiscal trends on course to consume our budget; political parties that can't find the electorate; an electorate that can't find the voting booth; nonprofits stuck in victimhood; an unhealthy healthcare system; schools that can't teach 30 percent of our kids; parents too busy to parent; businesses unsure how to govern themselves; and a generation of leaders more concerned with romanticizing the past than creating the future.

### The opportunity

If we know many of our most important institutions and policies aren't working to their full potential now, what do we do?

I suggest we get into the “ark-building” business. Start preparing solutions now, even at the small-scale and local level. Don't wait for a crisis. The preparation itself may avert the crisis!

Halstead reminded us that the adoption of big new ideas in America tends to happen quickly, not incrementally. These giant steps are usually in reaction to a specific crisis. The problem is that we don't know exactly when this crisis will occur.

However, what we do in the mean time still matters. Halstead pointed out that in many crisis situations, the solutions were already available when the crisis hit and often included things that had been tested by individuals and institutions on a smaller scale first. For example, FDR's New Deal actually drew from a number of local and state initiatives.

The point here is that we need to start

preparing now—building arks—in the places where we each spend time and on the issues that impact our commonwealth, to prepare for—and hopefully avoid—what could later become a flood of trouble.

### The policy ark

Taking a good idea to scale is almost always the goal in policy development, but it is equally true that the next big idea usually began as a small practical idea that someone either developed in their head, or tried to implement in a real-life discreet situation. We face several large-scale policy challenges that will depend on small-scale solution options. For example:

▲ **Governance.** We must re-imagine how we govern ourselves within every institutional setting, as well as how we make governance decisions as voters. Major changes to our caucus, redistricting and fundamental voting systems could help to rejuvenate democracy in Minnesota and lead to better policy solutions. Improved governance within schools, workplaces, neighborhoods and congregations will have more of an impact on the problems we face than waiting for a government solution.

▲ **“The Big Three.”** Healthcare, transportation and education are fundamental (and enormous) quality-of-life policy issues that need fundamental systemic reforms. Again, the big-picture solutions will depend on a range of successful small-scale options and strategies.

We need to start developing and testing ideas now, in practice and on paper, so that we are ready with solutions when the opportunity arises. Big ideas are usually developed in small places. For example, we certainly need system reform in healthcare and education, but the solutions still have to work for individual employees, families and parents. Starting in these

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# OnBalance

## Views From Around the State

*Kudos for conservation, mixed reviews for license revocations, and several views of alternative realities*

Gov. Tim Pawlenty's support for additional funding for the Conservation Reserve Enhance Program, which turns farmland into wildlife habitat, sits well with the Mankato **Free Press** (10/19). "The program leverages state funding to gain millions of dollars in federal funding and has been successful at helping farmers restore 100,000 acres of land along the Minnesota River. The restoration program works with farmers and ranchers to set aside marginal agricultural lands along waterways to enhance wildlife habitats, improve water quality, reduce erosion and sedimentation and reduce the effects of recurrent flooding. ...The conservation program constitutes a huge step in helping clean up Minnesota's valuable water resources while giving farmers just compensation."

The **Post-Bulletin** of Rochester (10/23) agrees but cautions that the set-aside program alone won't solve the problem of pollution. "There are few, if any, reasons not to support the state's latest conservation plan. ...The proposal is good and needed medicine for ailing waters. At the same time, while it treats environmental symptoms of a pollution problem, the proposal will do little to address the underlying cause of the pollution," the **Post-Bulletin** opined. "What the nation needs is a federal policy that supports sustainable farming practices. Particularly needed is the kind of policy that doesn't require 'good and needed' programs such as CREP to fix bad side effects. What we need is a farm program that offers more, maybe 10 times as much, financial support for farmers."

Gov. Pawlenty's proposal to suspend the driving privileges of teens who are chronically absent or drop out of school is "a reasonable plan that deserves a try," and could benefit both students and taxpayers, according to the St. Cloud **Times** (10/20). "Not only does the plan limit public resources spent dealing with truancy, but statistics show high school graduates have more earning power than dropouts and that dropouts are more likely to commit crimes and end up in prison... Collectively,

Minnesotans spend about 53 percent of their tax dollars on public education. That's a big investment. If taking away the car keys of teens who routinely skip school increases the return, then by all means, do it."

"There's no question that linking the right to drive to school attendance will get the attention of Minnesota teens," argues the Brainerd **Daily Dispatch** (10/26). "Pawlenty's plan also links responsibility and rewards and that's not a bad lesson to teach young people. If the student attends school, they'll likely keep their driver's license. If they skip, there are consequences to be paid. The hope is that school attendance will improve for districts and for ethnic groups where attendance lags behind the state average of 92 percent for high school juniors. The school attendance-truancy proposal won't solve every education problem, but it might help keep more students in school and increase those students' prospects for a better future."

Mankato **Free Press** (10/15) gives the plan to revoke students' licenses a thumbs down. "Obviously the governor believes that the potential loss of a driver's license will get the attention of truants. Using Pawlenty's logic, perhaps it would make sense for the state to award drivers' licenses to 14-year-olds with perfect attendance. Forget it. Neither idea would make good public policy. In this state, students can legally drop out of school at age 16. If Pawlenty doesn't think that's good public policy, he should tackle the issue head on," the **Free Press** chides. "One can't help but wonder when our political leaders will begin to understand that more laws are not going to correct the ills of this society... Igniting the desire to learn isn't something that can be mandated. Not by any administration."

University workers who went on strike to protest cuts to their health care benefits need a reality check, according to the **Red Wing Republican Eagle** (10/27). "Their cries get little sympathy from many workers in the private sector who have been contributing

generously for several years toward health-care costs. Most workers in the public sector have better packages even with compromises in recent contracts....Although workers should not just absorb higher costs without question, they should also consider the plight of millions of [uninsured] Americans... Health care coverage no longer can be the sole responsibility of employers. Employees—including those in the public sector—must be a partner in sharing the costs."

Some Minnesota House Republicans may also need a reality check, the Mankato **Free Press** (10/21) declares. The trickle down effect of last session's budget cuts is hurting rural Minnesota. "One cut was a 15 percent reduction (\$185 million) to the University of Minnesota's budget. The university responded, in part, by cutting back on the Extension Service program. Rather than an Extension office in each county, there will be 18 regional offices. A group of House Republicans say they will introduce a bill next year that will provide money to counties to retain individual Extension offices. But the money comes from more cuts elsewhere. It is an ill-conceived idea that will likely make things worse for rural Minnesota."

Evidence of a reverse gender gap—girls surpassing boys in many school subjects, and women outnumbering men in higher education—demands attention, argues the Duluth **News Tribune** (10/17). "In the recent past, Americans worried about a gap between boys and girls when boys were doing much better than girls...Now that gap has reversed itself. ...Clearly, girls are getting the message that they should do well in school and go on to college. Boys are not getting that same message," the **Tribune** opined. "The turnaround in girls' academic performance and educational aspirations shows that concerted, targeted effort does pay dividends. Let's target boys' reading and writing as well as girls' math and science achievement. Let's ensure that boys of all backgrounds can aspire to go to college—technical or four-year—as girls now do." **MJ**

# Developing Minnesota leadership in renewable energy innovation

by Richard Hemmingsen

There are growing concerns about national energy security, the diversity and vibrancy of our economy, and the health and sustainability of our global ecosystem. Numerous recent events demonstrate a need for a greater statewide and national focus on energy production, distribution, conservation and policy:

- ▲ the blackout experienced in the Northeast and Canada
- ▲ the United States large reliance on oil from the Middle East
- ▲ impacts on the oil flow as a result of war and violence, and
- ▲ the recent increases in natural gas prices in Minnesota

The Citizens League highlighted many of these issues in its recent report, “Powering Up Minnesota’s Energy Future” (2003). To analyze these issues and create solutions, the University of Minnesota, in coordination with the state of Minnesota, this year created the Initiative on Renewable Energy and the Environment (IREE).

IREE’s mission is to promote statewide economic development, sustainable, healthy and diverse ecosystems, and national energy security through development of bio-based and other renewable resources and processes. IREE will bring together the University strengths and expertise with those of its public, private, and non-profit partners to foster research, discovery, technology transfer, and market development of new energy sources and products from renewable sources. The initiative will serve as a focal point for funding, collaboration, and communication on energy-related topics.

## IREE organization

IREE is organized around four clusters: hydrogen; conservation and efficient energy systems; bioenergy and bioproducts; and, policy, economics, and ecosystems. Each cluster will strive to foster multi-disciplinary collaboration. The goal of the collaborations is to bring together public and private partnerships to help increase the efficiency and impact of the initiative. Projects will include faculty from various

departments across the University and disciplines, other University of Minnesota colleges and campuses, and external partners from the private and public sectors.

The University of Minnesota is a premier land-grant and public research institution with academic strengths spanning agricultural, biological, chemical, ecological, engineering, and natural resource sciences, as well as applied economics and public policy. The IREE cluster process will help bring these diverse experts together to conduct research and implement technology transfer and practical applications of that research, which in turn will help the state of Minnesota become a national leader in renewable energy innovation.

IREE activities and priorities will be driven by academic leadership, funding opportunities, and by compelling project ideas from faculty members, citizens or other external partners. Project teams will be fluid, consisting of membership from

**IREE’s mission is to promote statewide economic development, sustainable, healthy and diverse ecosystems, and national energy security through development of bio-based and other renewable resources and processes.**

one or more clusters, depending on the opportunities, priorities, requests for proposals, or the emergence of new ideas.

For example, the hydrogen cluster leaders would work closely with the bioenergy and bioproducts cluster leaders when helping faculty and other partners design projects that focus on integrated systems for obtaining hydrogen from biomass. The cluster leaders would draw upon faculty from various colleges and departments to integrate research from genetic improvement of crops to biocatalytic or biorefining techniques for hydrogen production and utilization. The policy, economics and ecosystems cluster would be involved, especially if the project calls for applied

research and implementation.

Another example of a potential IREE project is a systematic analysis of costs and benefits of various technology options, including life-cycle analyses in an environmental context. In this case, the policy, economics, and ecosystems cluster leaders would assemble a project team drawing on a variety of expertise. Participants from the hydrogen, bioenergy and bioproducts, and conservation and efficient energy systems clusters would also be a part of the project team and help with the technical questions surrounding the analysis.

## IREE Funding

The 2003 Legislature provided funding for IREE by designating the one-time transfer of \$10 million from Xcel Energy’s Renewable Development Fund (RDF), and annually transferring 5 percent of Xcel Energy’s obligation to the Conservation Improvement Program for five years. Most of these funds are being held in reserve to leverage major IREE initiatives—pending identification and assessment of strategic investment opportunities that capitalize on or enhance University of Minnesota strengths and fulfill significant societal needs. IREE has earmarked \$3 million of the RDF funds for the construction and deployment of research technologies at the University of Minnesota Renewable Energy Research and Demonstration Center at Morris.

To foster and support activities, IREE has designated funds which are currently available for supporting cluster activities, and for a seed grant program to “jump start” cluster activities. IREE matching funds are currently available to leverage extramural grant proposals, as well as support for a variety of outreach activities for IREE’s first year of operation.

To guide the funding investment decisions, IREE has developed several investment principles. These include:

### ▲ IREE funded activities must be consistent with mission

Investment decisions will be consistent with the comprehensive University mission of research, teaching, and engagement, with the IREE mission, and with mandates or requirements of specific funding sources.

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*Is it appropriate to increase dedicated taxes (user fees) to support transportation infrastructure investments?*

During the 2003 legislative session, the transportation finance plan proposed by the Governor and enacted by the Legislature was developed in accordance with the “no new taxes” principle. At the same time, certain other essential public services saw increases in “user fees” dedicated to support those services, such as higher education tuition, health care and childcare costs. In evaluating future revenue needs, state policymakers must consider the direct link between the gas tax and other transportation-related taxes/fees and the direct benefits received from improvements to the transportation network.

*Should other revenue streams be increased and dedicated to transportation?*

Historical trends indicate that population, vehicle miles traveled, freight transportation activity, vehicle ownership, and public transportation needs are all increasing. To expect the traditional dedicated funding mechanisms—which have remained virtually constant in recent years—to accommodate the increasing system demands may simply be asking too much of the current funding system. Many regions of the country rely on regional sales taxes, dedicated for the purpose of funding transit systems or expanding roadways. Minnesota should explore these kinds of options.

*Is borrowing to fund transportation investments preferable to “pay-as-you-go”?*

Using debt financing (borrowing) to fund transportation infrastructure investments in 2003 was justified on the grounds that interest rates were at historical lows, and that increased annual debt service payments would be offset by cost savings implemented through the Minnesota Department of Transportation (Mn/DOT) budget reductions. It is important to understand, however, that financing transportation investments through borrowing requires dedicating future revenues—funds that would otherwise be available for construction and maintenance expenses—to repay the debt.

*What is the appropriate state role to ensure safe and efficient local road and transit systems?*

Just as the needs and demands on the state transportation system are increasing, so too are the needs and demands on local roads (totaling over 120,000 miles), local bridges, and locally operated transit sys-

**The population of the metropolitan area is expected to increase by 1 million people by 2020. Minnesota’s business sector will require a transportation network that allows it to successfully compete in the global economy.**

tems. Tax reform advocates in recent years have supported the notion that local elected officials should have the authority to raise revenues locally to provide desired local services. Given local governments limited revenue raising options, granting this expanded local revenue raising authority would enhance the accountability of the public finance system.

### Future transportation investment

Transportation infrastructure technology is advancing at a breakneck pace. Newly developed intelligent transportation systems, on-board geographic information systems, and high-tech freight security systems are becoming increasingly common. A number of organizations, including the University of Minnesota’s Center for Transportation Studies and the State and Local Policy Project at the Humphrey Institute, Mn/DOT’s Minnesota Guidestar, ITS Minnesota, and many others are conducting valuable research that is paving the way for Minnesota’s future transportation system. And in most respects, that future is now.

It is typically the nature of elected officials to emphasize immediate needs at the expense of future needs. Unfortunately, given the rapid pace of societal and economic change along with the concurrent advancements in what is possible technologically, failing to adequately anticipate future demands and to act accordingly has

enormous adverse consequences.

State policymakers must confront the following questions as they strive to anticipate the long-term demands on the state transportation system.

*How do we plan for a transportation system that will meet the anticipated needs 20 years from now?*

The state has not traditionally done a very good job of engaging the public in a discussion of “what should the future vision be for our transportation system?” The average person is disconnected from the discussions that happen regarding setting priorities for projects and planning for future developments in various corridors. A public discussion needs to take place about the kind of future transportation system the people of Minnesota want, and how they want to pay for that future.

*What alternatives or additions to the fuel tax will be more suitable to fund transportation in 20 years?*

In the future, automobiles powered by alternative fuels and higher mileage automobiles will be common, so the motor fuels tax is likely to become less effective in meeting the needs of the transportation network. Other financing options that more closely correlate to actual use of the roadway system need to be developed as an alternative or supplemental source of dedicated revenue. Options that are becoming technologically viable include mileage taxes or other “value pricing” methods that resources required to support the transportation system are provided in direct proportion to the use of the system. The state has already authorized development of high occupancy toll (HOT) lanes on Interstate 394 as a means of financing additional capacity along that particular corridor.

*How do you measure and compare the costs and benefits of competing transportation investments, for example, commuter rail vs. new highway capacity?*

The debate involving the decision to construct light rail transit along the Hiawatha Corridor, and more recently, the proposed development of the Northstar commuter rail line from Minneapolis to Saint Cloud has focused on the projected

## Energy innovation *continued from page 5*

### ▲ IREE funded activities should be multi-disciplinary

Investment proposals should demonstrate significant interdisciplinary collaboration among relevant disciplines, departments, colleges, IREE clusters, or with external organizations.

### ▲ IREE funds should be highly leveraged

A high priority will be given to proposals where IREE investments can be significantly leveraged.

### ▲ IREE investments should capitalize on unique or potential University of Minnesota strengths, opportunities, and faculty expertise

Investment proposals which bring together unique strengths and expertise in creative, innovative, and interdisciplinary ways, which are not duplicative of ongoing efforts, and which fill important

research, outreach or education gaps will be given the highest priority.

### ▲ IREE investments should address clear and compelling societal needs and opportunities

Investment proposals must clearly address a compelling societal or market need. Proposals may include research on emerging technologies as well as applied science, education, and demonstration to support development of under-deployed, proven technologies.

### ▲ IREE investments will be balanced between proposals with high-early and longer-term impacts

IREE funds will be invested in proposals that address both short- and long-term challenges and opportunities. Some proposals will be selected to obtain some immediate benefits to stakeholders and to foster collaborative efforts. Other proposals will ensure strategic development of new or unproven technologies.

### ▲ IREE will employ reporting and accountability standards

The IREE will require reporting of activities and accomplishments related to IREE investments on an annual basis. These reports will be consolidated into an annual report which will be distributed to key stakeholders and available to the public. IREE expenditures must be made in accordance with appropriate University of Minnesota accounting and reporting practices and procedures.

Through this initiative, Minnesota can leverage the commitment from the state, the University of Minnesota, and private partners and assure Minnesota's ability to stay ahead of the curve for cutting-edge technologies, environmental impact awareness, and energy security and demonstrate a renewable energy development and research model that other states turn to in the future. **MJ**

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## Transportation *from page 6*

costs and anticipated benefits. Unfortunately, there has been little consensus concerning both the costs and the benefits, so policymakers have evaluated the value of these projects on the basis of other factors.

*To what degree should transportation investments be used to "engineer" land use or economic development decisions?*

The development of transportation infrastructure will continue to have a significant impact on the land use development and economic development landscapes throughout the entire state. To the extent that new or expanded transportation infrastructure has a positive effect on economic development and land use, (including environmental impacts), those factors should be considered in evaluating the value of proposed transportation projects.

Consideration of all of these issues will go a long way in addressing the state's immediate and long term transportation goals. **MJ**

*Matt Shands is the Director of the Transportation Policy Institute.*

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local institutions could provide solutions and ideas for larger reforms.

### The leadership ark

As founding president of the New American Foundation, Halstead reflects a new generation of leaders, both in terms of his age and the creativity of his ideas. But so did his audience that night. The "whining classes" tended to stay home. People of all ages showed up and were eager to hear and talk about these big ideas, and to become engaged in implementing solutions.

Cultivating the next generation of civic leaders (of all ages) has to begin now. Again, this can also begin in workplaces, neighborhoods, congregations and schools, but we must be intentional and strategic about the effort. Change will be difficult. New ideas will threaten existing practices, and we need leaders with the political and ethical skills to succeed.

### Our civic compass

What will prevent us from detouring on a "trip to the moon"? The essential values and principles that have sustained Minnesota and the Citizens League. Fundamentally, Halstead reminds us that these new policy solutions will have to balance choice (freedom), with fairness (justice). This tension is as old as the country itself, and as current as the headlines in our daily papers.

And finally, why am I not a pessimist? Ark-building requires producers and creators, not victims and passive consumers, and we have more than our share in Minnesota. It's a wonderful coincidence when the process of building the solution also brings out the best in the solution-builders, and our community! **MJ**

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# TakeNote

Policy Tidbits

*Taking measure of our confidence in leaders, our economic health and our future*

**Americans think that current political leaders are weak** when it comes to practical problem-solving in three out of four areas surveyed: access to affordable health care and medicine (73%); improving the quality of education (59%); and protecting the environment and developing clean, safe energy resources (57%). In only one area—foreign policy/countering threats to our security—did a majority (59%) of Americans feel that practical leadership is strong. The poll was sponsored by the Civil Society Institute, based in Newton, Mass.

**More than one-third (34%) of single** working adults in Minnesota weren't earning enough to meet basic needs during the third quarter of 2002, according to "The Cost of Living in Minnesota," a report by the Jobs Now Coalition. The "Job Gap" indicator developed by the Coalition presents worker earnings in relation to the cost of a basic needs budget. The basic needs budget is a "no frills" budget which does not include any allowance for spending on education or training beyond high school; debt payments, retirement and other savings; down payments to secure a home mortgage; renters or life insurance; vacations, pets, movies, gifts, and restaurant meals; or big-tickets items such as washers, dryers, or refrigerators.

The percentages listed below show how many in a particular family group don't earn enough to meet a basic needs budget:

- ▲ Single-parent family with one child 54%
- ▲ Single-parent family with two children 62%
- ▲ Two-parent family with one parent working with one child 44%
- ▲ Two-parent family with one parent working with two children 54%
- ▲ Two-parent family with two parents working with one child 22%
- ▲ Two-parent family with two parents working with two children 34%

[www.jobsnowcoalition.org](http://www.jobsnowcoalition.org)

**Minnesota ranked first in labor force** participation in 2000 for women and workers with disabilities, according to the Minnesota Department of Economic Security. Minnesota also ranked in the top 10 for three of the other four categories of worker: men (4th), blacks (8th), and Hispanics (9th). Minnesota workers 65 and over ranked lower (16th) in

labor force participation. [www.mnwfc.org/lmi/trends/dec02/labor.htm](http://www.mnwfc.org/lmi/trends/dec02/labor.htm)

**Has Minnesota reached its historic peak** in manufacturing jobs? Or will that sector bounce back as it has in every decade since the 1950s. The current manufacturing slump is comparable to 1969 and 1974, but is still short of the prolonged and deeper downturn which occurred during the double-dip recessions of the early 1980s, according to the Minnesota Department of Economic Security. The state lost 47,000 manufacturing jobs, or about 12 percent, over the last two-plus years. Manufacturing jobs in the state peaked at 448,200 in August 2000. Minnesota was one of 18 (mainly western) states that were still creating manufacturing jobs up to the 2001 recession and had not previously reached a historic peak. [www.mnwfc.org/lmi/trends/june03/mfg.htm](http://www.mnwfc.org/lmi/trends/june03/mfg.htm)

**Minnesota companies were more likely** to be the buyer in mergers from 1992 through 2000, according to the Minnesota Department of Trade and Economic Development (DTED). During the nine-year period, there were 860 instances where Minnesota companies purchased non-Minnesota companies and 759 instances where non-Minnesota companies purchased Minnesota companies. The issue brief from DTED entitled, "Win, Lose or Draw: The Effect of Mergers and Acquisitions on Minnesota's Economy," was published in June 2002 and states, "These results do not coincide with the doom and gloom often present in the discourse concerning mergers." [www.dted.state.mn.us/PDFs/mrg&acq.pdf](http://www.dted.state.mn.us/PDFs/mrg&acq.pdf)

**The percentage of carpoolers in** Minnesota went down again in the 1990s. The percent of

private vehicle commuters in carpools was 28.9 percent in 1970. That percent has decreased every decade since, from 23.9 percent in 1980, to 13.4 percent in 1990, to 11.8 percent in 2000, according to the State Demographic Center at Minnesota Planning.

**Minnesota temperatures will rise more** than previously expected by the end of the century, according to the most recent modeling by the Union of Concerned Scientists (April 2003). Winter temperatures will rise by 6 to 10 degrees and summer temperatures will rise by 7 to 16 degrees. This 100-year warming will roughly equal the warming since the last ice age. Precipitation will increase 15 to 40 percent in winter and decrease up to 15 percent in summer, feeling much like current-day Kansas. The frequency of severe rainstorms and other weather events could be 50 to 100 percent greater than today. [www.ucsusa.org/greatlakes/pdf/minnesota.pdf](http://www.ucsusa.org/greatlakes/pdf/minnesota.pdf)

**More than half of Americans have trouble** reading their city's website. Only 8 percent of city websites are written at the eighth grade level, according to the A. Alfred Taubman Center for Public Policy and American Institutions at Brown University. National literacy statistics show that about half of Americans read at or below the eighth grade level. Seventy percent of city websites read at the 12th grade level, and the average readability of American city websites is at an 11th grade level. [www.brown.edu/departments/Taubman\\_Center/policyreports.html](http://www.brown.edu/departments/Taubman_Center/policyreports.html)

*Take Notes compiled by Citizens League staff.*