



Minnesota Journal

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Voting by mail can boost turnout, cut per-vote election costs, Grove says

In 1987, the Minnesota Legislature passed two bills designed to permit certain elections to be conducted entirely by mail.

Reasons for doing this were twofold: First, mail elections would likely have a lower cost per voter and would preclude the need to establish and staff individual polling places; second, mail elections would facilitate voter participation in the election process by making it more convenient and less time-consuming for the voters.

The first bill authorized nonmetro-

by Joan Anderson Grove

politan townships with fewer than 400 registered voters to conduct the state primary and state general election entirely by mail. This bill also authorized county boards to conduct the state elections by mail in unorganized territories. In 1990, 17 precincts in six counties conducted the state elections by mail.

The second bill authorized the governing bodies of counties and municipalities to conduct special elections for up to two ballot questions entirely by mail on an experimen-

tal basis. In 1989, the Legislature made this provision permanent and expanded it to include school districts. To date, six special elections in five different jurisdictions have been conducted by mail.

The mail election process is somewhat similar to the process used for absentee voting. After the close of voter registration, 20 days prior to election day, the county auditor, municipal clerk or school district clerk mails a ballot to every person who is registered to vote.

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TIF units' value tops 6% of state tax base

by Jody A. Hauer

Property in tax-increment financing (TIF) districts continues to represent an increasingly larger share of the total tax base statewide.

For 1991, the value of TIF districts amounts to \$205,743,831, or 6.27 percent of the state's tax base, according to preliminary data from the Minnesota Department of Revenue.

Last year, the value captured in tax-increment districts was 5.91 percent of the state's total taxable value of property. As a share of the total tax base, property value in TIF districts progressed steadily upward throughout the past decade. (See accompanying chart.)

TIF is a financing tool allowing cities to use property-tax revenues generated by a development to finance some of the costs of that development. The public subsidy is intended to enable private development that might not otherwise occur.

Instead of going into the general funds of the city, county and other local jurisdictions, property taxes generated by TIF districts are re-

Triplett: Reform is not a dirty word Scheibel: Fiscal-disparities law works

by Tom Triplett

Wayne Cox, director of Minnesota Citizens for Tax Justice, assails (in the *Minnesota Journal*, March 26) Gov. Carlson, the *Star Tribune*, business leaders and others concerned about Minnesota's growing tax burdens and wasteful spending patterns. He collectively calls them "frightmeisters." Catchy name!

While the business community don't regard ourselves as scare-mongers. Yes, we believe that Minnesota's growing tax and spending problems hurt job growth. Yes, we strongly advocate

Other Views

fiscal reforms like those recommended by the governor and the Citizens League. But no, we do not believe Minnesota is sinking into a primeval swamp or heading for economic oblivion.

We see, however, some disturbing signs. We are troubled, for example, by recent data that show us closing the unemployment gap with the rest of the nation. We are

Continued on Page 4

by James Scheibel

Minnesota's fiscal-disparities law is good social and economic policy. Over the last two decades, the law has helped the metropolitan area grow and mitigated some of the harsher impacts of the growth. It should not be changed, despite urgings from Hennepin County, as expressed by Commissioner Mark Andrew (*Minnesota Journal*, March 12).

To a certain extent, fiscal disparities is an issue that where you stand

Continued on Page 4

Continued on Page 3

Don't get nasty, just get the facts

The two most interesting comments made in the aftermath of *Star Tribune* Sports Columnist Pat Reusse's derogatory column on girls' basketball were not from the critics but from *Star Tribune* Executive Editor Joel Kramer and from Reusse himself.

Reusse, for those who somehow managed to miss it, said that in basketball, "It seems there are too many things for the girls to do at once—move, dribble, see what is happening elsewhere on the floor." He said the girls' game is "tiptoed ball throwing." A number of folks were outraged.

Editor Kramer, quoted in Lou Gel-fand's Sunday column, *If you ran the paper*, said, "Part of Patrick Reusse's mission is to be controversial, and he's great at it. His opinions about the quality of girls' basketball are well within the bounds of what a columnist should be able to say." Kramer added, however, that the Reusse statement about too many things for girls to do at once was "offensive stereotyping, which is out of bounds."

Reusse apologized in a subsequent column, saying the first column was "too nasty." He also said, "We now talk about our mission at newspapers... The word 'mission' now applies to everyone, including a sports columnist. If that's the

Muddling Through

by Stephen Alnes

case, I have seen this as the basic ingredient of my mission: Go to a ballgame or a match or a tournament and write what you see, or what you think, or what you learn."

As a recovering jock—my name is Steve, and I still can't find the hoop—I follow the sports pages with mild interest. I am pleased that Reusse and Kramer are talking about "mission." And I hope the definition can be expanded to include the job of explaining events—not just telling about them or offering a controversial opinion. I'd like my questions answered—about sports and about other events the newspaper covers.

Where was the cornerback on that pass play? How did the pitcher get the hitter to pop up? Why couldn't that pair of all-pro linemen open a hole for the half-million-dollar running back on third and short?

Over in the news section, we have been told how much the property tax will rise on a home of certain value if property-tax relief programs are cut. But how much will the income and sales taxes for a certain household rise if the state continues to "relieve" property

taxes at its current pace? How will the lottery money in the Environmental Trust Fund be spent? Why do lenders keep financing small shopping centers and big office buildings when existing ones are half empty?

Throughout the newspaper, not just on the sports pages, I find too little basic explanation of whys and hows of events. Under the circumstances, it seems a shame to use the newspaper's resources on mere controversy.

As a newspaper junkie, I am dismayed that *anyone* on the sports page, or anywhere else in the newspaper, is given the specific assignment of being controversial for its own sake. Understand, I am not surprised. The evidence demonstrates that some writers set out occasionally with no higher mission than to find something to be outrageous, or outraged, and controversial about.

After a time, manufactured controversy becomes just another yawn. I can't get mad that often, even when they are "great" at it. There are times, it's true, when outrage is justified, but, like profanity, it loses its effect when carelessly applied. Beyond that, if someone is sufficiently upset about something to spill ink, he or she ought to offer a solution, not just some smart remarks.

The Minnesota Journal

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A newspaper is a peculiar institution. It offers us recipes, comics, horoscopes, crossword puzzles, advertising, sports, TV schedules, fashion, travel, editorials, commentary, reviews and more. That's okay. That's how the whole thing is held together. A newspaper filled with just the stuff I want would no doubt be boring for many people.

But insults just for the heck of it. Contrived controversy for the sake of controversy? That's a waste of talent.

The opinions expressed above are those of the writer and not of the Citizens League.

John Gunyou, commissioner of finance, at Citizens League meeting March 19.

The state's spending has exceeded inflation every year for the past two decades... In good times, we tended to spend it all. And in bad times, we tended to raise taxes... If state spending had only grown at the rate of inflation for... just about the last five years, we would have a \$9 billion surplus today, rather than a \$2 billion deficit...

There is something known as entitlement programs. And what that means is that the state does not just say, "We're going to spend \$15 million." They say, "We think we're going to spend \$15 million." But what the Legislature has done... is we built into law entitlement programs. What it says is that if a school district has a certain number of pupils, they are entitled to that per-pupil funding, not

Measuring a shortfall

whether we have the money or not...

In higher education, we clearly have a problem... Wisconsin has a very well-accepted higher-education system that's well-regarded, much better than our systems here, unfortunately, nationally. They have half the number of campuses per capita than the State of Minnesota... We have four systems. Not many states... have four separate systems. How do you change that? The University is obviously trying to do that... and getting beat up unmercifully for trying to close one campus... I was told that there are four agricultural programs within about a 40-mile radius of Waseca, all of them half full. And the only thing you hear is about how the U is turning its back on agriculture...

The governor has suggested... that the people that raise the money should spend the money. There should be a closer link between the decision to tax and the decision to spend, not to suggest that there should be any undoing of the equalization factors...

One of the ironies is that what Gov. Carlson is proposing is not much different than what has been proposed in the last five years, and not just by the Citizens League. This was something that was proposed by Gov. Perpich—very, very similar to the property-tax reform that Gov. Carlson is now proposing. It's been proposed by many of his strongest opponents in the House. Rep. Ogren has been promoting different pieces of the legislation as recently as one year ago... In fact, the Legislature a year ago

adopted a property-tax reform agenda, saying that they wanted a plan delivered back to them by one of their committees that outlined a dozen points of property-tax reform. The governor is consistent with every one of those points in what he's proposing...

We're in one of those years where property taxes are going to go up regardless. If Gov. Carlson had done nothing, property taxes over the next two years would have gone up 23 percent... The property-tax bills that are going out now are a 10 percent increase overall. There's built into state law another 13 percent increase the following year... So this was the action of the Legislature who's now condemning the property-tax increase. And this is basically to buy down property taxes last year. What they did was buy down a 3 percent increase last year by putting it onto the next two years...

Continued from Page 1

to pay for certain development costs or public improvements.

State law restricts TIF expenditures to specific costs including: acquiring land, clearing structures, writing down land costs and constructing public facilities such as road improvements or parking ramps. Statutes also restrict the duration of TIF districts to between eight and 25 years, depending on the type of district involved.

When the TIF districts' costs have been paid, the property-tax proceeds are to revert back to the local taxing jurisdictions in the same proportion as other property-tax revenues. In practice, however, proceeds from successful TIF districts are frequently collected longer than is otherwise necessary. These proceeds pay the costs of other TIF districts that do not generate sufficient increments or go to finance local development funds.

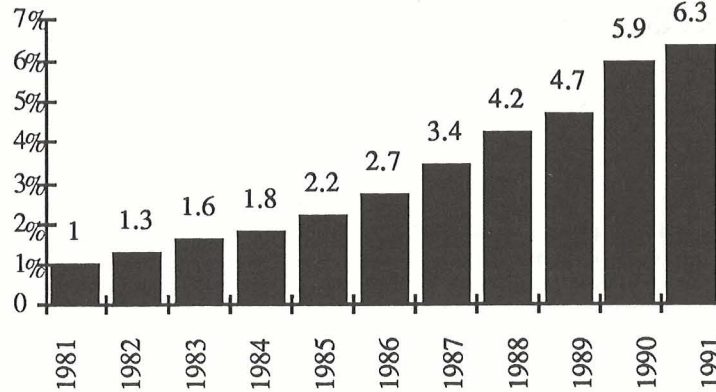
The amount of taxable property value captured in TIF districts for 1991, \$205.7 million, is a 10.3 percent increase over 1990. This is a higher rate of growth than between 1989 and 1990, when the growth in value captured was about 2 percent, but a smaller rate of growth than in the preceding five years, when the amount of value captured in TIF districts increased an average of more than 23 percent annually.

The growth in the value of TIF districts statewide results from several factors. The value of existing TIF districts can increase because of new construction within them. It can also increase because of general inflation in property values. Cities can create new districts, adding to the total property value captured.

Plus, cities that had not used TIF in the past could start TIF districts. In 1991, 23 communities and one county housing and redevelopment authority had property value in TIF districts for the first time. However, the cumulative value of the communities' TIF districts was \$518,000, only 2.7 percent of all new TIF value this year.

Legislative controls can affect how much use is made of TIF. In 1990

Percent of Minnesota Property Tax Base in Tax-Increment Financing Districts



the Legislature significantly changed TIF, although the ramifications of those changes aren't yet clear. Perhaps one of the most stringent changes in 1990 was a provision to reduce state aid to cities by part of the amount the state pays in additional education aid as a result of TIF districts.

Cities with TIF appear less property-wealthy than they really are because the property set aside in TIF districts is not counted in their tax base. Because the state pays education and other aid on the basis of an area's property wealth, the state pays out more than it would without TIF. For instance, the state paid an additional \$53.49 million in aids and credits because of TIF in 1988, the most recent year for which this estimate has been calcu-

lated, according to the House Research Department.

The intent of the 1990 change was to make cities both account for some of the TIF costs in their normal budget process and pay for a portion of the additional state costs. Many cities opposed this provision, saying it would greatly restrict the use of TIF.

According to the League of Minnesota Cities, 13 communities filed TIF plans in 1990 following the change in law. By comparison, 51 communities filed TIF plans in 1989, and 54 filed in the first four months of 1990, prior to the implementation of the 1990 law. Statewide data on TIF value will not reveal the full impacts of the 1990 law changes for several

years.

Complete data are not yet available on tax revenues generated by TIF districts in 1991. However, in 1990, TIF districts generated nearly \$192 million of net property-tax revenues statewide, 7.6 percent more than in 1989. This is faster growth than the 3.2 percent growth in total net property taxes collected around the state between 1989 and 1990.

The main users of TIF are housing and redevelopment authorities, cities and port authorities. Counties and school districts do not have TIF authority, a point of some concern because TIF affects the amount of tax revenues they are able to collect.

Most of Minnesota's tax-increment financing occurs in the seven-county metropolitan area. About 83 percent of the property value captured in TIF districts in 1990 lay in the metro area; 17 percent was in greater Minnesota. Of the property value captured for TIF in the metro area, the lion's share, 61 percent, is in communities located in Hennepin County.

The metro area's tax base was 1.9 times greater than the tax base in non-metropolitan Minnesota in 1990, but its share of the TIF value was 4.8 times greater. About 67 percent of all taxable value in the state was in the metropolitan area.

Economic policy urged for state

From the legislative auditor's report on the Greater Minnesota Corp., March 1991.

The Greater Minnesota Corp....got off to a bad start, but it has made progress in the last year toward correcting its problems. Through statute or its own initiative, the GMC today has most of the accountability measures found in other quasi-public bodies and some of those found in state agencies. To a great extent, all that remains is to institutionalize the new structure, so that it will survive changes in the board or the presidency...

Many of the people we interviewed told us that—given the amount of public funds it handles—the independence of the GMC board was unusual and risky. Most similar boards in Minnesota and in other states include at least some members appointed

by the governor. We recommend (that) all new members of the GMC board...be appointed by the governor. Directors' terms should be staggered, so that a new governor cannot replace the entire board at once.

The GMC board and staff have defined what they see as their role in economic development in Minnesota. It remains for the Legislature to determine whether that role is important to the state and at what level it can be funded. In making that determination, we recommend that the state...develop a comprehensive economic-development policy and determine the GMC's role within that policy.

One method for developing such a state policy would be through an appointed governor's commission. The commission should be charged with arriving at specific recommendations, rather than

simply theories.

We found that there is wide variation in the statutes that govern quasi-public agencies in Minnesota. In our opinion, Minnesota would benefit from a uniform "Quasi-Public Agencies" statute...

Finally, we found no compelling evidence to suggest that the GMC's functions could not be carried out successfully by a state agency. If the Legislature plans to continue GMC programs, it could, if it wishes, move them to a state agency, such as the Department of Trade and Economic Development, or change the GMC into a separate state agency, similar to the State Arts Board. That option would bring the GMC under all of the accountability measures that apply to state agencies, while allowing for some flexibility in budgeting.

Ramsey police merger urged

Ramsey County Sheriff Charles Zacharias and **St. Paul Police Chief William McCutcheon** recommended all police departments in the county be merged.

Senate Majority Leader Roger Moe, DFL-Erskine, and other Senate leaders proposed merging the State University System, Community College System and Technical College System. The University of Minnesota would not be included. **The Community College System** cancelled the second session of summer in 1991 and both summer sessions in 1992 because of budget constraints.

Leaders of Minnesota AFL-CIO and Minnesota Chamber of Commerce agreed on a package to cut costs of the workers' compensation program. Several other business groups objected.

A new forecast said the state will take in \$73 million more in tax revenues than previously forecast during the biennium beginning July 1.

The House Research Department said that, without additional state-paid relief of property taxes, taxes will rise an average of 16 percent on homes, 12 percent on farms and 9 percent on businesses for taxes payable in 1992.

The National Collegiate Athletic Association penalized the University of Minnesota for rules infractions, saying the football team couldn't play in a bowl game next season if invited and cutting the number of scholarships allowed the basketball team from 15 to 14.

Gov. Arne Carlson said he will ask the Legislature to put an end to the Metropolitan Council in two years unless it begins to "realize a worthwhile mission."

The Greater Minnesota Corp. would be renamed the Minnesota Technology Development Corp. and would take on the state's science and technology office and Minnesota Project Innovation under a proposal outlined by Gov. Carlson. The board would be appointed by the governor and legislative leaders.

The legislative auditor's office called for restructuring the Greater Minnesota Corp. to provide greater accountability.

Gov. Carlson called for a \$10 mil-

Keeping Up

My, we have been busy in Minnesota lately, and here is the record to prove it.

lion pilot project to provide health-care coverage to some 12,000 uninsured Minnesotans. Those served would pay 10 percent of gross household income in premiums, plus deductibles and copayments for prescriptions.

A Hennepin County grand jury returned a no-bill in the case of the shooting death of Tycl Nelson, an African-American, by Dan May, a white Minneapolis policeman.

Gov. Carlson lifted a moratorium on \$341 million in construction projects authorized by the 1990 Legislature but did not for another \$46.4 million. He was accused of playing politics, particularly by Sen. Doug Johnson, DFL-Cook.

Minnesota health-maintenance organizations recorded a record \$57 million in profits in 1990. HMO officials said reserves are being built up because of a state requirement that they have reserves equal to one month's operating costs by 1993.

Citizens for a Better Environment said they will file a suit charging Minneapolis with more than 10,000 violations of the federal Clean Water Act unless the city cleans up its act.

State Health Commissioner John McCally resigned after less than two months on the job as a result of furor over his efforts to get a free membership at the St. Paul Athletic Club. **Ralph Church**, public safety commissioner, fired Deputy Commissioner Jack Nelson, who was alleged to have made offensive remarks to other employees.

David Bennett resigned as superintendent of the St. Paul School District to become president of Education Alternatives Inc., Bloomington, which runs the private Tesseract Schools.

Axel Steuer, executive assistant to the president of Occidental College, Los Angeles, was named president of Gustavus Adolphus College, St. Peter, succeeding John Kendall.

Gov. Carlson named to the Metropolitan Council Carol Kummer, Minneapolis; Donald B. Riley, Minneapolis; Esther Newcome, White Bear Lake; Susan Anderson, Blaine; James Krautkremer, Brooklyn Park; Sandra Simonson, Bloomington; Bonnie Featherstone, Burnsville; Craig Morris, Lakeland, and John Flores, St. Paul.

Rice Memorial Hospital in Willmar showed a \$700,000 profit last year, translating into a 1.3 percent operating margin.

Winona County dropped its lawsuit against the City of Winona for sending its trash to Wisconsin.

Minnesota Pollution Control Agency notified the Quadrant waste-to-energy incinerator in Perham of emissions violations and improper storage of infectious medical waste.

St. Peter City Council voted against a request to invest additional money in a downtown renewal project, dimming hopes the project would succeed.

J.C. Penney stores are closing in Sauk Centre, New Ulm and Little Falls, after tenures of 64, 70 and 75 years, respectively.

Preliminary results of an inventory of northern Minnesota say there is enough timber in the state to meet demands of increased harvest caused by recent paper-mill expansions.

Waseca City Council decided against annexing Woodville Township because of higher than expected costs.

Olmsted County granted its townships authority to create special districts with control over zoning issues.

Aitkin County employees went on strike over wages.

St. Cloud City Council delayed a decision on establishing a special downtown district to assess business owners for additional maintenance and parking services.

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Triplett

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concerned that more than 55,000 businesses failed in Minnesota last year, a 62 percent increase from 1989. We are bothered by recent data suggesting that Minnesota is faring worse during the recession than other states in our region.

These and other indicators suggest not everything is perfect here. New job generation is slowing, and our lack of competitiveness is showing. We do have problems, and ignoring them will not cause things to improve.

The central public-policy goal of the Minnesota Business Partnership is a healthy economic and social environment for the state. But as business surveys the Minnesota condition, we find that state-imposed costs, such as workers' compensation and commercial-industrial property taxes, impair our ability to create new jobs.

Let's be clear. We do *not* want to turn Minnesota into a public-services backwater. Nor do we object to paying our fair share of tax. But we are concerned about our constantly growing tax and spend-

Scheibel

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is determined, in part, by where you sit. It is not a suburb-city debate. Rather, it is those jurisdictions with greater property wealth versus those with less.

Like most metropolitan communities, St. Paul and Ramsey County are net "gainers" from fiscal disparities. Hennepin County as a jurisdiction "loses," though many of its cities benefit from the current law.

Not surprisingly, St. Paul, Ramsey County and a number of other metropolitan jurisdictions oppose any changes in the law, while Hennepin County is the chief proponent of change. Minneapolis, being a clear winner from the Hennepin County proposal, takes a very clear neutral position on it.

The positions of the various parties

g burdens. And we don't think
reform is a dirty word.

the members of the Business
Partnership—the CEOs of the
state's large corporations—want
to keep their facilities in Minneso-
ta. They want to grow jobs in St.
Paul and Worthington and Moor-
head (rather than in Hudson or
Watertown or Fargo).

at these goals are possible only if
we restore fairness to our fiscal sys-
tems and control our governments'
spending appetites.

to solve our fiscal problems, we
must redirect our resources into
"investment" programs designed
to improve our collective futures.
An example of one such desirable
investment is learning-readiness
programs for our state's children.
Legislative leaders want to streng-
then these efforts, and the govern-
ment's budget would redirect \$30
million to early-childhood educa-
tion and related programs.

to allow fiscal room for these in-
vestment programs, we must over-
haul our state's fiscal structure and
priorities. And the place to start is
our systems of property tax and
state aids to local government.
These systems, which originated
with the Minnesota Miracle in the



"...All I said was tax reform...is that so terrible?"...

early 1970s, contribute greatly to
our spending excess and limit our
ability to target resources.

Two-thirds of all state tax collec-
tions are returned to local govern-
ments by a complex system of ex-
pensive and often unfair formulas.
They must be reformed in a way
that restores spending accountabil-
ity at both the state and local levels.

Proposals such as those made by

the Citizens League, the Partner-
ship and the governor will do that.
These reform ideas share the same
goals:

- The government unit that makes
a spending decision should be the
same government unit that fi-
nances that decision.
- All categories of taxpayers
should pay their fair share of the

local tax burden.

Those who urge reform and redi-
rection of resources are not the
"frightmeisters." Truly, that title
belongs to Cox and those who
falsely insist that reform will
somehow hurt our growth, that the
poor will be disadvantaged, that
property taxes will "automatical-
ly" rise by 40 percent or 80 per-
cent, or that Minneapolis will lose
"hundreds" of police officers.
These statements are not true, but
they make for great media play.

The state's current budget crisis is
a cause of great concern. But it is
also a time of great opportunity.

We can use this crisis as a chance
to reform our fiscal structure, to in-
sist on better-quality public serv-
ices without more costs, and to re-
direct limited resources to pro-
grams with the highest investment
potential.

Urging that these things be done is
not "scaremongering." It is, rather,
a rational call for action—a call
designed to promote job creation
and a better economic and social
environment for all Minnesotans.

*Tom Triplett is executive director of
the Minnesota Business Partner-
ship.)*

withstanding, the fact remains
that the underlying notion of fiscal
disparities makes sense and should
be kept. That is, we live in a metro-
politan community.

Despite differences in property
wealth, each of the region's 180-
some municipalities and seven
counties make unique and vital
contributions to the metropolitan
community. Two are core cities,
one are "bedroom" suburbs, and
others boast shopping malls, office
buildings and manufacturing sites.
Each contributes to the eco-
nomic health of the region.

Each government in the region,
however, is also characterized by
the fact that its services are mostly
funded by local property taxes. To
mitigate differences in property
wealth is the purpose of fiscal dis-
parities.

The law recognizes that most prop-
erty-wealth growth is due to exter-
nal factors beyond local control,
such as airport location, freeway

routes, large sports facilities, etc.
The system tries to limit the dispar-
ities in local government-provided
services because of differences in
property wealth.

Without such tax-base sharing our
wealthiest metropolitan communi-
ties would have a per capita tax
base 22 times larger than the poor-
est communities. The commer-
cial/industrial tax-base difference
would be 110 to 1, instead of 17 to
1. Reducing the current level of
tax-base sharing would dramati-
cally increase the disparities between
communities. The comparatively
rich would get richer and the com-
paratively poor would get poorer.

At the same time, we should re-
member that only 40 percent of
commercial/industrial tax-base
growth is shared, while 60 percent
is retained by each community
where the growth occurs. Some ci-
ties that are net fiscal-disparities
losers still have lower tax rates and
remain among the wealthiest in
per capita commercial/industrial

tax base.

As I said earlier, St. Paul benefits
from the current law. Were the sys-
tem to be changed as proposed, the
result could require a 45 percent
increase in the city's municipal tax
rate over current law.

St. Paul is a core city that suffers
many of the ills that similar cities
around the country face. We need
growing revenues from a non-
growth tax base. St. Paul is not
unique in this problem. First-ring
suburbs like Richfield and Rob-
binsdale need help from the fiscal-
disparities sharing.

I am sending a letter to the mayors
of cities that could have negative
impacts under the Hennepin
County proposals, alerting them
that they will lose revenue base if
these changes are adopted and to
further urge their support in oppos-
ing these bills. Ramsey and Anoka
Counties, the Metropolitan Coun-
cil and the Citizens League
number themselves among the

supporters of maintaining the cur-
rent law.

The *Star Tribune* editorial (Jan. 23)
may have said it best: "Such
wealth sharing makes sense be-
cause communities in the Twin
Cities area are interdependent
parts of a single economic entity.
Thus, one city might provide a
family with a place to live, a sec-
ond a place to work, a third a place
to attend school, a fourth a place to
shop, and a fifth a place to generate
the electricity to light their
homes."

Returning to the days of communi-
ties fighting each other over busi-
ness locations and tax base is not a
solution. The fiscal-disparities law
has been successful in achieving its
goals. Hennepin County's discom-
fort with the law is not a good rea-
son to turn our backs on that suc-
cess.

James Scheibel is mayor of St. Paul.

Editors like the idea of governmental mergers

Pioneer Press said (March 20) that Ramsey County Sheriff Charles Zacharias and St. Paul Police Chief William McCutcheon "performed meritorious service" with their proposal to merge all police departments in the county into a single police force. It said the proposal deserves full debate.

WJON's Andy Hilger said (March 21) the St. Cloud area should be talking about ways to combine to deliver local services as a way of cutting government costs.

Rochester Post-Bulletin, said (March 20), "The budget crisis can have a healthy effect if it leads to a streamlining of local and state government."

West Central Tribune said (March 19) it makes more sense to merge community colleges with state universities than to merge community colleges and technical colleges. "The missions of technical colleges and community colleges are too different for a complete merger."

Hibbing Tribune said (March 22) the merger of community colleges

and technical colleges "would be the worst shotgun marriage the Minnesota Legislature could come up with. The missions, style of instruction and type of student that attends each of these two necessary institutions are very different." If there has to be a merger, it should be the community colleges and state universities.

St. Cloud Times said (March 26) logic favors merging the community colleges with the technical colleges rather than with state universities.

Duluth News-Tribune said (March 26) members of the board of directors of the Greater Minnesota Corp. should be appointed by the governor and legislative leaders rather than by other members of the board, as is now the case.

Hibbing Tribune expressed concern (March 26) that Gov. Carlson's proposal to reorganize the

Greater Minnesota Corp. may shift it away from its purported original purpose—"to provide help to develop a sound economic base outside the Twin Cities."

West Central Tribune said (March 25) the proposed reform of the Greater Minnesota Corp. "would go a long way toward ridding the GMC of the politics that has plagued it in the past."

St. Cloud Times said (March 15) the Greater Minnesota Corp. is the logical organization to encourage production of ethanol as a "gasoline-stretcher."

Pioneer Press said (March 21) the figures on air pollution in the Twin Cities area do not justify the mandatory automobile-emission tests scheduled to begin July 1.

News-Tribune opposed (March 22) creation of a separate school for American Indian children. It

said society should keep working to improve schools and that "resegregating them or turning them into places to emphasize the beliefs and concerns of any group would be a big mistake."

Mankato Free Press commented (March 22) on the "growing disparity" between what Gov. Carlson said he would do if elected and what he actually is doing. It cited the areas of the budget, ethics, the environment and higher education.

West Central Tribune praised (March 26) Gov. Carlson for not including in the bonding program such northeastern Minnesota items as a shooting-sports facility, a wolf center and community college classrooms. "The time has come to treat northern Minnesota equally with the other regions."

Red Wing Republican Eagle urged (March 22) legislators not to restrict lottery advertising. "If the lottery is to continue being successful, it must compete on a level playing-field with everything else that is hawking customers for the almighty dollar."

Sen. Gene Merriam, DFL-Coon Rapids, chair, Senate Finance Committee, at Citizens League meeting March 26.

The governor, to his credit..., put forward a basically pretty straightforward, honest budget. That's not always been the case. There's been a real use in the past of balancing significant parts of the budget by shifting into future bienniums. The governor's budget is not totally pure in that regard, because it did cover \$73 million of the gap by having a shift in what's called the school property-tax recognition...

And I think to the governor's credit, he stayed out of the budget reserve. And quite frankly, he was forced to do that if he was going to avoid short-term borrowing...

The governor's budget, if the Legislature were to enact it, would put us in pretty good shape going forward into the next biennium... The bad parts (of the budget include) two significant areas. The one very obvious one is...property-tax relief-local-government aids...The other real significant area of cuts is

Assessing the budget

in...postsecondary education. I think that that's an area that we are not going to be able to stay within the governor's allotted expenditures. The repercussions to the institutions and to the students would be...much too adverse...

(As to) local-government aids, I think the governor made a strategic error by trying to do too much too quick. And it's confusing a lot of people. I think it's confusing the Legislature, and it's kind of distracted discussion about some of the bigger picture of the budget... What he's proposed...is not just...cutting from \$2.2 to \$1.5 billion the amount of state aid that goes into the area of local-government aid and property-tax relief, but also reallocating within those local-government structures as to what the classifications and what valuations of property pay the taxes...

A good argument could be made...that...we have the highest commercial and industrial property

taxes. And probably something has to be done about that. I think that argument is pretty persuasive. Doing it as fast as the governor does, particularly without any additional state resources, I think is going to be very difficult...I don't think that when you look at property-tax increases on lower-valuation homes...it is desirable nor do I think it's politically palatable. So I don't think it's going to happen.

Well, what is going to happen?...I see (the) solution a long way off, at least in terms of building consensus if not in terms of the calendar. I think that the Legislature is a long way from reaching consensus on how we're going to choose the least unattractive from a spectrum of unattractive alternatives...Clearly, we are not going to have reductions in local-government aids and property-tax relief to the extent that the governor has called for in his budget. Clearly, there's going to be some. Where it's going to fall in there, I don't know...

I think that before long...that broadening the sales tax, principally to some selected services, more likely perhaps to clothing with some type of a low-income tax offset or credit, will get serious consideration. I think that some type of income tax will be under consideration, either temporary for those that are delusional, or permanent for those that are more realistic...

If we can do two things, I think they're more important than whether or not or how much of the budget reserve we use. One is that we avoid short-term borrowing, that the state keep itself in a position where it can cash-flow its operating budget...

And if we can keep ourselves in a position so that in the second year of the biennium that our expenditures don't exceed our revenues, I think we will be in good shape going into the next biennium coming out of this well no matter what the budget reserve balance is...

Voting

Continued from Page 1

(Persons who are not registered to vote at that time may register by applying for an absentee ballot, using the election-day registration process.)

Voters simply cast their votes on the ballot provided, complete the mail voter's certificate on the back of the return envelope and have the certificate witnessed. The witness can be any person eligible to vote in the county, such as a family member, neighbor or a person authorized to administer oaths. The ballot is then returned to the auditor or clerk either by mail or in person. All ballots must be returned no later than 8 p.m. on election day.

The materials needed for a mail election include a ballot, a mailing envelope, a ballot secrecy envelope, a return envelope and a set of instructions to the voter. The election jurisdiction is also required to provide outgoing and return postage.

On election day, a set of election judges at the auditor's or clerk's office, examining the mail voter's certificate on the return envelopes to determine whether the signer is eligible and the certificate is witnessed. The ballots in the return envelopes that are accepted are then separated from the return envelope and the secrecy envelope containing the ballots is placed in the ballot box.

After 8 p.m., the election judges open the ballot box, remove the ballot from the secrecy envelope and count the ballots. The election results are compiled, reported and canvassed in the same manner as a normal election.

The principal cost of conducting an election by mail is postage. Generally speaking, first-class postage for mail between 1 and 2 ounces is 45 cents in each direction. This cost may vary somewhat, depending on the weight of the materials to be mailed and the applicable postage rates. Other costs include ballots, envelopes, instruction sheets, staff time to prepare and receive the mailings and election judges' time to process and count the ballots.

Conducting an election by mail will result in a reduction of costs for the salaries of election-day

election judges and procuring the polling places.

In the special municipal elections conducted to date, the total costs of conducting the election by mail have been somewhat higher than would have been incurred by conducting an election in the normal fashion. However, the special county elections conducted by mail have experienced a reduction in costs from those that would have been expected in a normal election.

In either case, it seems clear that, given higher voter participation, the costs per voter have been reduced in elections conducted by mail.

The prospect of increased voter participation as a result of conducting elections by mail has, for the most part, been realized for those elections conducted by mail in Minnesota. Perhaps the best example of this phenomenon was the mail election conducted by the City of Luverne in 1987.

In March of that year, a proposed city charter was placed before the voters in a normal election. Only 237 voters out of an estimated 3,200 eligible voters actually voted in the special election. In September of the same year, the same ballot question was placed before the voters, this time in an election conducted entirely by mail. And this time, 1,481 persons voted, an increase of more than

600 percent over the earlier balloting.

While voter turnout in specific precincts and elections varies, the general trend in mail elections conducted to date indicates an increase in voter participation over elections conducted in the normal fashion.

Of the precincts voting by mail in the 1990 state general election, eight experienced turnouts exceeding 74 percent of the registered voters. In comparing the six mail precincts in Kittson County, they averaged a 65 percent turnout compared with a 58 percent turnout of registered voters county-wide. In one Kittson County precinct, every registered voter actually voted in both the 1988 and 1990 state general elections.

A survey conducted by my office of persons voting in mail elections in 1987 and 1988 revealed that 26 percent of the voters responding indicated they would not have voted if the election had not been conducted by mail. In addition, more than 64 percent of those persons responding to the survey indicated they favored mail voting for special elections.

While Minnesota has led the nation in voter participation in every presidential election since 1976, turnout in Minnesota has declined in concert with the rest of the nation. Forty years ago, more than 80 percent of all eligible Minnesota

voters actually voted in presidential elections. In 1988, slightly more than 67 percent of the eligible voters voted.

In response to this trend of declining voter participation, I have proposed conducting the 1992 state's presidential primary election entirely by mail.

The principal advantage of conducting the presidential primary by mail would be the potential to have a very high rate of voter participation. A secondary advantage would be to streamline the administrative process for conducting the election.

While the total cost of the presidential primary would doubtless be increased because of postage costs for mailing ballots to and from approximately 2,650,000 voters, it is a virtual certainty that costs per voter would be reduced significantly.

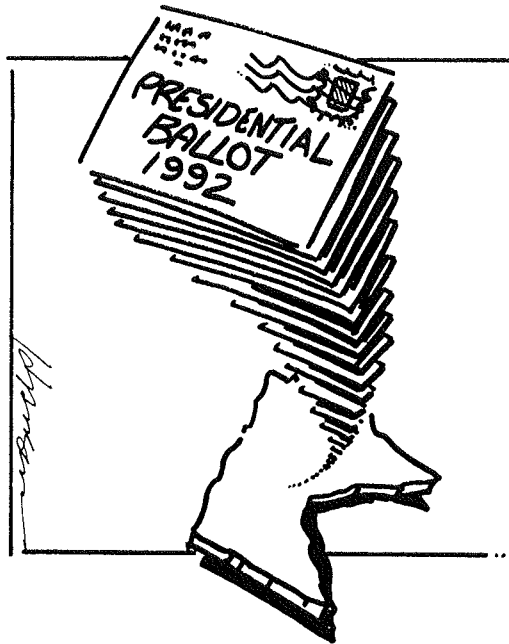
In addition, compensation to election judges would be significantly reduced, because there would not be a need to maintain more than 4,100 polling places on election day.

I estimate that a presidential primary election conducted entirely by mail would cost approximately \$6.7 million if the election were conducted at the local level, or approximately \$3.2 million if conducted centrally by the secretary of state's office. In comparison, I estimate the same election conducted in the normal fashion would cost approximately \$3.15 million, of which nearly one-half represents the cost of salaries for election judges. Obviously, any action that would reduce the postage costs would make the all-mail proposal even more attractive.

The experience of mail elections in Minnesota has been very positive. Conducting elections entirely by mail has demonstrably improved voter participation and has been well received by the voters. While the cost of postage is significant, conducting elections by mail in some jurisdictions has produced cost savings.

I believe Minnesota would benefit by increased use of mail elections, if for no other reason than to improve the rate of public participation in the election process and in government as a whole.

Joan Anderson Growe is Minnesota secretary of state.



Health-insurance pool's enrollment, losses jump

If enrollment gains are a good measure of a health plan's success, the Minnesota Comprehensive Health Association (MCHA) had a great year in 1990. MCHA—the state's risk insurance pool for persons not able to get private insurance—increased its enrollment by 34 percent in 1990 and passed the 25,000 member mark.

Unfortunately, MCHA's losses are equally impressive. The books aren't closed for 1990 yet, but in 1989, MCHA assessed insurers, HMOs and Blue Cross/Blue Shield \$21.7 million to cover its losses that year. Legislative committees are now considering bills that would allow MCHA to implement managed-care practices for its insurance plans.

—Allan Baumgarten.

Budget cuts is a term you'll surely be hearing repeatedly over the next few months as legislators, Gov. Carlson and a broad variety of interest groups wrangle over how best to balance the state's 1992-93 biennial budget.

It'll be helpful, as you weigh the various arguments, to keep in mind that almost invariably, when you hear the politicians and interest groups decry a potential budget "cut," it won't mean a reduction, as you or I might think. Rather, it will mean a less-than-ideal increase.

For example, horrendous cost in-

Take Note

The famed investigative team of Nook and Cranny reports the following findings.

creases in medical and nursing-home care, due primarily to inflation, are projected to push the state's health-and-human-services budget—with no expansion in program—from \$2.945 billion this biennium to \$3.580 billion next biennium, an increase of \$635 million, or 21 percent. The governor's budget is viewed in some quarters as "cutting" this area, since it provides "only" \$3.464 billion for the next biennium. This so-called cut is a \$519 million, 15 percent increase. —Pete Vanderpoel.

Minnesota hospitals provided more than \$15 million in charity care during 1989, a 72 percent increase since 1985, according to data from the Minnesota Department of Health.

Hospitals provided another \$72 million in uncompensated care categorized as bad debt. Hennepin County Medical Center provided the most charity care, nearly \$4.9 million, and had the largest amount of bad debt, at \$12.2 million in 1989. Abbott Northwestern Hospital and St. Paul-Ramsey provided the next highest combinations of charity care and bad debt at \$6.4 million and \$6.1 million, respectively.

Of Minnesota's top 20 hospitals ranked by amounts of bad debt and charity care, 16 were in the metropolitan area, four in the non-metropolitan area.

—Jody A. Hauer.

Olmsted County discovered that passing a mandatory recycling ordinance doesn't necessarily mean people will recycle. The *Rochester Post-Bulletin* reported that three months after the ordinance took effect, a study of the solid wastes going to the local incinerator showed mixed results. In 11 of the 24 categories of wastes, the weight percentages increased since the last time a waste sample was studied, in the summer of 1990.

Weight percentages of 12 categories of materials decreased and one stayed the same. The weight percentage of corrugated cardboard, an item covered by the mandatory recycling ordinance, decreased from 15 to 6 percent. The percentage of newsprint, however, increased from 4 to 8 percent. Two other items under the recycling ordinance, aluminum cans and glass, had very slight (.5 percentage points or less) percentage weight decreases since last summer. —J.A.H.

The Regional Transit Board's Light Rail Transit (LRT) Advisory Committee, composed mostly of metropolitan county commissioners, is showing surprisingly faint

support for its own transit proposal. After several years of detailed discussions and consultants' studies, the committee and the Legislature to pay for a nine-line, 83-mile LRT system costing at least \$2 billion and concluded that the first line should join the Minneapolis and St. Paul downtowns.

However, faced with legislative reluctance to impose a 1-cent metropolitan sales tax to pay for the extensive LRT system, some commissioners are abandoning that consensus on the Midway line. Their argument: Without the sales tax, property-tax dollars must be used; the only county willing to spend enough property-tax money to build LRT is Hennepin; consequently, the first line must be wholly within Hennepin County.

After debating this "first line" question for nearly two hours recently, the advisory committee voted 8 to 6 against tabling a motion in favor of the original plan. It then adjourned, unable to agree on anything except to postpone any further votes.

The eight votes cast in favor of current plan came from Dakota, Ramsey (two each), Washington and Hennepin Counties, the Metropolitan Transit Commission and the Minnesota Department of Transportation. The losing votes came from Anoka and Hennepin Counties (two each), Scott County and the Metropolitan Transit Commission. (Yes, Hennepin County and the transit commission registered split votes.) —P.V.

How the money's spent

From the Game and Fish Fund report by the Office of the Legislative Auditor, March 1991.

Game and Fish Fund revenues have grown from \$10 million in 1975 to over \$45 million in 1990. The fund receives most of its revenue from license fees paid by hunters and anglers... The primary expenditures from the Game and Fish Fund are for fish and wildlife programs and the enforcement program... Despite the name of the fund, a large portion of expenditures—approximately 44 percent in 1990—were on programs other than fish and wildlife management. It is these other fund expenditures not directly for fish and wildlife programs that most concern anglers, hunters and legislators concerned about the fund's solvency...

Another major expenditure item from the fund is the administrative overhead and support costs of the department (amounting to) about \$7.6 million, or about 17 percent of fund expenditures... Our review suggests that the Game and Fish Fund is not paying more than its fair share of departmental support costs...

We found no evidence that DNR was spending Game and Fish Fund money on unallowed department activities. The only exception to this was the department paying unemployment compensation from the Game and Fish Fund to several employees whose salary had been paid from other funds. The department has stated that it will change this practice.

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Citizens League
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Citizens League Matters

April 9, 1991

News for Citizens League Members

Welcome new members

- George Bruns
- Corky Martinkovic
- Thomas Ruffaner

Thanks to renewing corporate members

- Collins, Buckley, Sauntry & Haugh
- Colwell Industries, Inc.
- Community Credit mpany
- Control Data Corporation
- Crown Iron Works
- Culligan Soft Water Service Company
- David Agency
- Dayton Hudson Foundation
- Elk River Concrete Products Company
- Ellerbe Becket
- Faegre & Benson
- Fairview
- Fingerhut Corporation
- Flour City Brush Company
- Fredrikson & Byron
- GE Capitol Fleet Services
- The Graco Foundation
- Group Health Inc.
- H.B. Fuller Company
- Jammell, Green & Abrahamson
- Hennepin County Medical Society

Process for electing Board directors announced

President Cummins appoints nominating committee

June 28 is election day for this year's election of directors to the Board. Citizens League members will elect eight directors to serve three-year terms. Because the Board's membership serves staggered terms, each year one-third of the directors are up for election.

President **Buzz Cummins** named five Citizens League members to serve on the nominating committee for this year's election. According to the League bylaws, the nominating committee must have three persons who are not Board members and two current directors.

This year's nominating committee consists of **Jack**

Hoeschler, Steve Kelley, Sarah Janecek, and Board members Dan Peterson and Beverly Propes. It is the nominating committee's job to identify candidates to run for each of the director positions that will be filled this June. Its first meeting is scheduled for April 10.

The nominating committee will complete its work in May and announce the candidates to the full membership. In early June all Citizens League members will receive ballots in the mail, along with short biographical sketches of each candidate, and voting instructions.

In addition to the nominating committee process, League bylaws offer a second opportunity to

nominate members for director positions. Citizens League members who wish to be nominated for director may do so by submitting a written petition containing twenty-five signatures of League members. The petition must be in the League office by Wednesday, May 15, to be included on the ballot.

In late May, the president will appoint an elections committee. This committee is charged with supervising the election, including the mailing and tallying of ballots. On election day it will count all the ballots received to date. It will also certify the election results to the Board.

The July 9 edition of the *Matters* will contain the results of the election.

Election Schedule

Based on League bylaws, the following election schedule was devised to elect eight new directors to the Board in 1991.

April 9 Announcement of upcoming election

May 10 Nominating committee reports its nominees

May 15 Nominating petitions due

May 21 Nominations announced to membership in *Matters*
Elections committee appointed

June 3 Ballots mailed to League members

June 28 Elections committee counts ballots

July 9 Election results announced in *Matters*

Libraries report goes public

The report *New Regional Approaches to Library Services: Long Overdue* was the subject of a hearing of the joint House and Senate Education Committee Subcommittee on Libraries. **Allan Baumgarten**, associate director of the League, described the report.

Steve Schewe, chair of the League's library committee, spoke to METRONET, an organization that promotes library collaboration. Because of a sell-out crowd, METRONET scheduled a second meeting on the report.

Speakers lend expertise to libraries study committee

The League's libraries study committee, chaired by **Steve Schewe**, heard testimony from 39 persons during the course of its work. The Citizens League wishes to thank these persons for their contributions to the committee's understanding of library systems. (The speakers' affiliations refer to their employment at the time of the committee presentation.)

George D'Elia, Carlson School of Management; **Bill DeJohn**, MINITEX; **Bill Duncan**, MELSA; **Joan Durrance**, University of Michigan; **Jan Feye-Stukas**, Minnesota Department of Education; **Marsha Fralick**, Minneapolis Public Library;

Ray Harris & Co.; **Rep. Alice Hausman**, House of Representatives; **Diane Hofstede**, Minneapolis Library Board; **Randy Johnson**, Hennepin County Board of Commissioners; **Ann Kelley**, Higher Education Coordinating Board; **Kathi Kohli**, Cargill Informa-

Library; **Miriam Reibold**, Metro Senior Federation; **Joey Rodger**, Public Library Association; **Robert Rohlf**, Hennepin County Library; **Alvin Roth**, St. Paul Public Schools; **Annette Salo**, Lexington Area Library; **Tom Shaughnessy**, University of Minnesota Library; **Robbin Sorenson**, Loring-Nicollet-Bethlehem Community Center; **Kathy Stack**, St. Paul Public Library; **Gerald Steenberg**, St. Paul Public Library; **Jan Tapley**, Minneapolis Public Library; **Susan Tertell**, Minneapolis Public Library; **Gretchen Wronka**, Hennepin County Library.

The League thanks these persons for assisting the library study committee.

Dick Anderson, Teltech Resources; **Brian Baxter**, Baxter's Books; **Grace Belton**, Sumner Branch Library; **Harry Boyte**, Humphrey Institute; **Ginger Bush**, Minneapolis Public Library; **Candace Campbell**, Minnesota Project Outreach;

Stephanie Frost, Group Health, Inc.; **Susan Goldberg**, Minneapolis Public Library; **Audrey Grosch**, University of Minnesota Library; **John Gunyou**, city of Minneapolis; **John Hafterson**, Hennepin County Library; **Ray Harris**,

tion Service; **Alan Lewis**, Minnesota Department of Education; **Edie Meissner**, Friends of the St. Paul Library; **Lee Munnich**, Department of Trade and Economic Development; **Aileen Okerstrom**, Friends of the Minneapolis

Mind-Openers to feature potpourri of legislative issues

Rep. Dee Long, DFL-Minneapolis, the House majority leader, will complete the Mind-Openers four-part series on the state budget on April 9.

On April 16, **Steven Gold**, director of the Center for the

Study of the States, Rockefeller Institute, State University of New York - Albany, will present his views on Minnesota's fiscal system.

Mind-Openers will take up the topic of tax-base sharing on April 23. **Rep. Charles**

Weaver, IR-Champlin, will pair up with **Peter McLaughlin**, Hennepin County commissioner, to discuss the pros and cons of the metropolitan area's tax-base sharing program, otherwise known as the fiscal disparities law.

Rep. Jean Wagenius, DFL-Minneapolis, will speak on April 30 about the proposals that deal with packaging materials.

On May 7 the Mind-Openers will provide an update on initiatives for access to health insurance.

Citizens League Calendar at a Glance: April 8-19, 1991

Monday	Tuesday	Wednesday	Thursday	Friday
8 Program Committee, 5:30-7:00 p.m., MN Department of Health, Minneapolis	9 Mind-Opener, 7:30-8:30 a.m., Central Lutheran Church, Minneapolis	10 Executive Committee, 7:30-9:00 a.m., Town & Country Club, St. Paul	11	12 Community Information Committee, 7:30-9:00 a.m., Tay Do Restaurant, St. Paul
15	16 Mind-Opener, 7:30-8:30 a.m., Central Lutheran Church, Minneapolis	17	18 Have ideas about what the Citizens League should study? Call 338-0791.	19