

MINNESOTA Journal

A PUBLIC POLICY MONTHLY FROM THE CITIZENS LEAGUE

Volume 19, Number 4 • April 16, 2002

No factor holds more potential for leveraging change than the way Minnesota finances higher education. The current system is inefficient, bears no relationship to quality performance, assures high subsidies to those who need them least, is unresponsive to the most important student and public needs, and applies no pressures or incentives to meet the challenges of a competitive future.

—David B. Laird, Jr,
President, Minnesota Private
College Council

INSIDE

2
Sharpening our civic edge

3
Viewpoint: Aftershocks of
a political earthquake

7
On Balance: Stadium funding
and new electoral districts

8
Take Note: Policy tidbits

It's not what you spend, it's how you spend it

by Governor Jesse Ventura

State government manages its budget. I'm not talking about the \$400 million a year of cuts that we've been arguing about since November, but the other \$23 billion a year that will be left when the legislature has gone home. That's still a lot of taxpayer money, and there is a lot that we can—and will—do with it. The legislature and the lobbyists and the media spend five or six months every year focusing on proposed changes to a fraction of the budget. But over 95 percent of the money is in the base, and stays pretty much where it is. Those billions have to be carefully managed all year long.

After the adjustments from the session, we'll be doing what many of you have to do every day in your organizations—private or public. We'll carefully manage limited resources by identifying our goals, figuring out how we are going to measure success, and managing our work in order to get results. Along the way, we'll tell our constituents—the citizens—how we are doing. After all, they're paying the bills.

The executive branch of Minnesota state government is led by 25 cabinet level commissioners and over 1,300 managers. They are charged with making sure that government provides what citizens need and want. We figure the state's overhead cost for all this management is over \$100 million per year, and we expect these managers to produce results. Governors give strong policy leadership, but the management of government has usually been left entirely to each department, with the Governor setting only limited expectations for performance.

For the last three years, I've made management for results a priority. Commissioners were picked for their management experience and ability. Each of them operates from a strategic plan that clearly states the mission of the depart-

ment and its goals, and sets out how they'll show citizens whether they have succeeded.

Each commissioner has identified five to 10 of these result measures that will make the most sense to Minnesotans. For example, Corrections is accountable for per day costs for prisoners, Children, Families and Learning for third grade reading rates, and Pollution Control for statewide air pollution rates.

There is also a lead department for each of our 29 "Big Plan" initiatives. The commissioners of those departments have also identified several measures to determine whether they are succeeding at the initiative.

We are using two websites to show our key performance results for state government, www.BigPlanResults.state.mn.us and www.DepartmentResults.state.mn.us. At these two sites, we show some of the important results we want to achieve, our targets for performance, and how we are doing so far—good, bad or indifferent. A recent *Star Tribune* editorial called this "a useful way for state government to fulfill its duty to be accountable to Minnesota citizens, no matter who is governor." That's what I want. Whether I run in the fall or not, I hope citizens will demand that any future governor will lay out her or his results.

My office uses the information on these sites as a management tool with commissioners and departments. We get regular progress reports and updates. Every week the chief of staff, and commissioners of finance, employee relations, planning and administration meet with a different commissioner to go over his or her results. We should insist that '04-'05 budget proposals (increases and decreases) be clear and specific about their affects on these or other results.

Government's work can't just be reduced to

Sharpening Minnesota's civic edge and restoring our civic pride

by Dave Durenberger

The death of John Gardner last month reminded me of the time Gardner's Independent Sector held its annual convention in Minnesota. It was November 1981, three years into my service to Minnesota in the U.S. Senate and almost a year into Ronald Reagan's first year as President of the United States.

Independent Sector was the voice of citizen involvement in volunteerism and non-profit civic action. That year it was an angry voice—upset by the President and a Republican Senate's efforts to revive an economy in depression, to rein in galloping inflation—a cumulative 44 percent in the previous three years—by cutting taxes and government spending. It was the 1981 version of this year's "economic stimulus package" without the federal government spending on which much of the non-profit sector then depended.

Independent Sector chose Minnesota for its meeting because we represented what corporate, citizen and voluntary action can do to provide a national example of civic leadership in community development. It fell to me as our senior Senator to keynote the convention. And I remember to this day the three points I made.

First, I bragged up Minnesota and the examples of corporate citizenship and citizen involvement which had already gained us national recognition. The creation of the Metropolitan Council, the fiscal disparities law, Public Service Options and the launch of the employers collaborative to change the local health care system and improve provider performance by introducing employee choice of health plans in our community.

Second, I suggested they stop crying over the end of "automatic" in government handouts to non-profit service agencies because (a) the government money had created a dependence on government decisions not voluntary civic decisions in human resource allocation; and (b) because inflation took more money out of the service delivery system by raising the cost of living than government could possibly pump back in through taxes cycled through government bureaucracies to non-profit companies.

Third, and on reflection most importantly, I pointed out that Minnesota was not a state in which we enjoyed beautiful mountain ranges or seashores, nor did we pride ourselves in a Golden Gate or Broadway. What I prided myself on as a Minnesotan was what I could be here. This community gave meaning and purpose to my life—in my family, business, professional, civic, and yes, government role. I could be whatever I wanted to be. Plus, I could pass that legacy on to my four sons.

Well, that was then, this is now. Minnesota today is not Minnesota of 1981. We've lost our civic edge, our public and private leadership, and our examples

What I prided myself on as a Minnesotan was what I could be here. This community gave meaning and purpose to my life—in my family, business, professional, civic, and, yes, government role. I could be whatever I wanted to be. Plus, I could pass that legacy on to my four sons.

of what you could be. When President Bush wanted to see community action to reform health system he went, of all places, to Pittsburgh!

I learned much of what I could be from the work of the Citizens League in the 1960s and 1970s. I never served as an officer or a director, but I did get involved. I took what I learned from people like then Executive Director Ted Kolderie and President David Graven (in the CL's 25th year) to Washington D.C. where it became my personal framework for reforming the role of government: the Health Incentives Reform Act of 1979; leadership in President Reagan's New Federalism in 1982, which recommended national government responsibility for financial security of all citizens disadvantaged by disability and age by federalizing

long-term care financing and swapping related services like public assistance and housing subsidies to state government; the first national government role in charter schools and outcomes-based education with Sen. Joe Lieberman in 1990.

That was then, this is now. I was honored to be asked to serve as the Citizens League President in this 50th anniversary year. But I am shocked by what has happened to community support for the Citizens League, and for good public policy in the years since 1981. Ted Kolderie's fine analysis, which we have published with financial support from the General Mills Foundation, explains why. I don't need to.

But it has fallen to me to do something about it. With your help, and that of the Citizens League Board, I intend to. Like almost every other similar civic organization in Minnesota, the League's financial support has been eroding over 20 years. Executive Director Lyle Wray took over direction 10 years ago and with it the League's \$50,000 debt. Things haven't improved. But they will. Citizens League members have already pledged \$120,000 in short to mid-term funding. Committees of the Board are reviewing our approach to corporations, foundations, and individual giving and aiming at a whole new level

of corporate citizen and philanthropy than that which created and supported the Citizens League in its birth and heyday. We will take a whole new approach to earned income because we have value to sell not just an analysis at a time and to a community much in need of systemic reform.

Through the King-Kershaw Committee we will ask you to help define the Minnesota and the region of the 21st century. Help us invent a new view of policy and policy influence. Help us look at our state and ourselves differently, intergenerationally. Help my sons and your children to be whatever they want to be, but especially to be proud to be Minnesotans once again. **MJ**

Dave Durenberger is president of the Citizens League

Redistricting shifts tectonic plates of Minnesota politics

by Lyle Wray

If the shifting of district lines as required after the release of the 2000 Census data is comparable to the shift of tectonic plates within the Earth's crust, then on March 19 Minnesota experienced a major earthquake. "Almost 60 percent of the state's population lives in an urban area from Southeast Dakota County to Saint Cloud," so said the court order on redistricting issued by the special judicial panel. In the order, Minnesota moved from four urban and four rural districts to five urban and three rural districts. The drawing of the congressional districts makes something completely obvious—the metropolitan area is within striking distance of two-thirds of the state's population.

The increase in the number of metropolitan districts should not surprise anyone. The new District 6, which stretches from Washington County to the Saint Cloud area, demonstrates how the 94 corridor is becoming one unified metropolitan region.

Since the 1960s, the "one person, one vote" standard has produced a judicial impetus for redistricting congressional and legislative districts every 10 years. Yet this redistricting marks the beginning of a major change in Minnesota politics. Since shortly after World War II, Minnesota has

had a somewhat stable set of alliances with the backbone of rural, Iron Range and urban districts, and until March 19, Minnesota maintained an equal balance of four distinctly rural and four distinctly metropolitan districts. This shift in political power goes beyond affecting the Legislative makeup of our two largest political bodies—the outcome of redistricting will trickle down to the mayors of our two largest core cities, who are working hard to create better bridges to a Legislature that is about to undergo a major transition.

The redistricting plan creates about 25 "open seats" due to the pairing of incumbents in the same district; roughly one-quarter of incumbents will be running against each other. The judicial panel was careful to keep a general balance in party numbers of legislators placed in the same districts. Still these 25 seat pairings are destined to create changes in the next legislature. Some senior legislators are being forced to run against other incumbents. Some may decide to retire, which would allow a "younger" legislature to begin to form. The incumbent versus incumbent races also promise changes for legislative committees; incumbents may retire, or lose their seat to another incumbent, or two incumbents from the same committee may end up running for the same seat.

One option for a legislator forced to run against another incumbent is to move to an open district. Although a common practice—and one currently being discussed by several members from the U.S. congressional races to the state Senate and House—it is not without controversy. The term "career politician" has had a distinctly negative cast in recent years.

There are still more signs that foreshadow even more major changes in Minnesota's political landscape. More than 40 percent of Minnesotans fashion themselves as independents, and loyalty to the two major political parties is low and falling. Yet at the same time, the Republican and Democratic parties appear to be continuing their march toward the extreme poles of the political

spectrum. The Minnesota moderate seems to be disappearing, but that is clearly what the Minnesota independent voter is looking for.

While the effects of redistricting will not be felt immediately, this truly is a shifting of the tectonic plates in Minnesota politics. It is yet to be seen if the experienced political "earthquake" will create a political "mountain ridge" between the growing urban population and the still prominent rural areas.

These changes will challenge the core cities to demonstrate that they are well run and deserving of a massive infusion of state funds. At the same time, it will be a challenge to insure rural Minnesota and the Iron Range get the attention they need to deal with their own economic and social challenges. Leadership changes that might have taken a long time to actually influence the legislature will be accelerated by retirements. There may be room for new thinking—with a new context and new leadership—that we need to take advantage of as a state.

We are at yet another crossroads. Change of this magnitude has not really happened since the 1940s. We are not well prepared to frame political issues in this environment. One thing we will need is a strengthened vision for the future of the state, a vision that builds on "The Big Plan" and "Minnesota Milestones" and that prepares our state for success in the emerging knowledge economy without leaving any group of people or region of the state behind. The Twin Cities was ranked the number one "knowledge economy" worldwide in a recent survey. As a state we must work hard to maintain this level of accomplishment. Let's hope our leadership can set aside divisive wedge politics focused on short-term gains and work together to bring us together to achieve long-term success for Minnesota. **MJ**

Lyle Wray is the executive director of the Citizens League. He can be reached at 612-338-0791 or at lwray@citizensleague.net.

The Minnesota Journal

Publisher—Lyle Wray

Editor—J. Trout Lowen

Contributing Editor—Ted Kolderie

Sketches—Ray Hanson

The Minnesota Journal (ISSN 0741-9449) is a publication of the Citizens League, a nonprofit nonpartisan Twin Cities public affairs organization, 708 S. Third St., Suite 500, Minneapolis, MN 55415. Phone: (612) 338-0791. Fax: (612) 337-5919. E-mail: info@citizensleague.net. Web site: www.citizensleague.net. Dave Durenberger, president. Articles and commentary are drawn from a broad range of perspectives and do not necessarily reflect League positions on policy questions. The Journal is published once a month. Periodicals postage paid at Minneapolis, MN.

Annual subscription rate for nonmembers is \$40 for 12 issues. Orders may be placed at (612) 338-0791 or by mail at the above address.

Postmaster: Send address changes to the Minnesota Journal, 708 S. Third St., Suite 500, Minneapolis, MN 55415.

Facing the challenges in higher education

by David B. Laird, Jr.

Recent issues of the *Minnesota Journal* have spotlighted Minnesota's evolution and the need for our state to adapt to a radically altered future. Ted Kolderie has urged us to focus on the fundamentals. Lyle Wray has appealed for a prospective vision rooted in reform. The Minnesota Business Partnership and the Citizens League have put forth the Principles for Reform. These voices and others call us to act today to ensure that Minnesota's vital interests are well served tomorrow. It is a paradox that in recent decades Minnesota has prospered, at home and abroad, yet we have not faced this magnitude of required change since the end of World War II.

Higher education has played an important role in bringing Minnesota to this point of success, yet this sector of our society is ripe for reform and new principles. Put simply, the continuation of the status quo in higher education is an equation for future economic decline, and the current methods of funding virtually assure that little will change.

The forces that dictate a critical review of higher education and its financing are rooted in demographics and current performance. As we merge rapidly into a knowledge-based economy, Minnesota's supply of well-educated people is not secure.

Demographic trends signal our challenges. As baby boomers retire, we will lose the talents and commitments of a gifted generation. Currently, we are not producing enough educated people to replace them in the workforce. Within the next two decades the 10 – 19 age cohort, our primary college going population, will decrease; and, the white portion of that cohort, the group most likely to enroll in college, will decline. All the growth within the 10 – 19 cohort will occur among students from families and communities for whom success in K-12 education is far from assured and completion of higher education is a daunting challenge. Within the next decade, the state demographer projects we will have a crossover point when our 55 and older population will exceed those aged 0 – 15. For a state whose economy is highly dependent on a skilled and adaptive work force, these are

stunning and challenging facts.

Minnesotans are unusually confident of the durability and resiliency of our economy. Our economy is diverse, integrated in important segments, competing in the global marketplace, and is undeniably dependent upon a renewable source of well-trained and broadly educated people. All of this notwithstanding, our confidence in the resiliency of our economy in the future should be limited.

If we look at the current performance of the educational system from the singular perspective of the need to produce college-educated personnel for our economy, the nervousness of some of our leaders appears well founded. One indicator of our current education "productivity" can be derived from known "progression rates"—on time graduation from high school, enrollment in a Minnesota college or university, and completion of a degree program within six years. In Table B, we use these rates to trace the predicted progression of students by ethnic background through our educational system following ninth grade. The resulting proportions of those who would earn a bachelor's degree within 10 years are significantly lower in all categories than most of us might think.

Table A

Minnesota's next generation – smaller size, growing diversity

Between now and 2020, Minnesota's population ages 10-19 will decrease 18 percent, from 753,000 to less than 620,000. The only growth in school-age populations will be among students of color:

Asian	+25 percent
African-American	+28 percent
Hispanic	+98 percent
Native American	-4 percent
White	-23 percent

(Based on U.S. Census Bureau data and projections by the Office of the Minnesota State Demographer)

Business leaders looking to schools, colleges and universities as the principal source of their future workforce are appalled and alarmed by the implications of these indicators. Clearly, the status quo in K-12 and higher education is not producing the results we will need.

The state spends nearly 50 percent of its annual budget on public education—\$1.3 billion per year on higher education. We must make the results worthy of the investment.

No factor holds more potential for leveraging change than the way Minnesota finances higher education. The current system is inefficient, bears no relationship to quality performance, assures high subsidies to those who need them least, is unresponsive to the most important student and public needs, and applies no pressures or incentives to meet the challenges of a competitive future.

Carleton College Professor Jenny Wahl provides a thoughtful and comprehensive assessment of the economics of our higher education system in a recent study, "A Bigger Bang for the Public Buck," commissioned by the Minnesota Private College Research Foundation. If her thesis is not an entirely new argument it is

continued on page 5

because achieving efficiency and equity in higher education are not new objectives. Minnesota and other states have been at this a long time, so far with little effect. Wahl's paper updates the evidence, reignites long-smoldering issues, and makes the argument central to the success of tomorrow's Minnesota. To wit:

Minnesota struggles to maintain a low tuition, taxpayer-subsidized system to fund higher education, even though tuition increases seem inevitable because of other demands on state budgets. Putting a cost-based tuition, need-based aid policy into place explicitly is certainly better than letting tuition and aid fluctuate yearly with the budget. Acknowledging honestly that higher public tuition is a fact of life, rather than surprising people with large percentage increases on an artificially low base, will help shape families' expectations about the true costs of higher education.

Professor Wahl's objective is not to raise tuition; that is simply the means to an end. Her objectives are greater efficiency in how we fund higher education, more equity in the opportunities and benefits provided, higher quality through consumer choice and market-based accountability, and wiser, more purposeful use of public funds. Wahl's evidence and argumentation on each of these points is overwhelming and relevant.

Citing study after study, Wahl strips away the common assumption that equates low public college tuition with broad access and equity in higher education. That assumption was never well founded. Today, it is shortsighted and outdated. A tragic symptom of the dysfunction of our current system is that only one quarter of high-ability, low-income high school graduates ever enroll in higher education. Given our growing needs for high-quality educational choices

for an increasingly diverse population, well-targeted student financial aid is far more efficient and effective. As an academic economist, Wahl does not say this, but we will: Lacking economic, social or educational justification, it becomes clear that the reasons for low tuition have more to do with "good politics" than sound public policy.

Wahl cites state and national studies and recent analyses demonstrating that the highest income students tend to go to the most highly subsidized institutions. As seen in a recent joint report by the Minnesota Higher Education Services Office and the Department of Children, Families and Learning, the income profile and median income of students at the University of Minnesota (U of M) campuses substantially exceeds that of private college students in the state. And, while our technical and combined technical/community colleges attract more lower income students, we should not overlook the fact that median family incomes in what the report identifies as "pure" community colleges are similar to the U of M's. Both are topped by the average incomes of Minnesota students who take advantage of the tuition reciprocity programs with Wisconsin and other neighboring states. Talk about hidden sub-

sidies for our least needy families; this is a throwback to an era of special access for higher income students at a time when resources are scarce and we need to expand participation for lower income students and families.

If Wahl's first finding is that low tuition does not equalize access, her second is that over time it lowers quality. Based on empirical studies as well as economic theory, Wahl argues that the current system of tuition subsidies in public higher education distorts consumer choice, contributes to the under-allocation and misallocation of private and public resources, and has insidious but pervasive effects on the quality of the services provided. These are technical studies and theories, but the findings have a good, intuitive ring. We get what we pay for, and are not willing to pay more for education than it is currently worth.

This aspect of Wahl's paper is strikingly parallel with the ideas and motivations behind the principles put forward by the Citizen's League and Business Partnership for all areas of state services. We should work together to begin applying these principles in higher education. The problem is that on one hand, low tuition has built-in political appeal, while on the other, paying

continued on page 6

Table B

Timely completion of college in Minnesota – "predictive odds" for 9th graders

	4-yr high school graduation rate %	In-state post-secondary enrollment %	6-yr college graduation rate %	Predictive "odds"
American Indian	43	32	31	4 / 100
Asian/ Pacific Islanders	68	46	52	16 / 100
Hispanic	47	29	47	6 / 100
Black	37	35	38	5 / 100
White	83	41	53	18 / 100

MPCRf calculations based on Minnesota Department of Children, Families and Learning high school graduation rates and Minnesota Higher Education Services Office participation rates and college graduation rates)

objective outcomes. Some results of good government can't be measured. It's hard to quantify trust or a sense of security. Other results may not show up until decades later. Sound health and transportation decisions we make today will still be producing results generations from now.

Well-measured outcomes alone can't tell us their value to the state. How much should we spend on improving graduation rates? How should we value health coverage for kids versus well-maintained highways? At the end of the day these are leadership questions that can't be answered by objective data alone.

And yet, while objective outcomes might not tell the whole story, they can point toward the answers. Citizens under-

stand that government is not business, and they don't want it to be. They know that we can't always set a clear bottom line to show our success or failure. But people should demand as much clear accountability for results as we can give them. And they deserve it.

So, log on. Take a look at the websites, and let us know what you think. Are we measuring the right things? What do you think of our progress? For specific comments on the website results, you're welcome to use the feedback buttons on the web. You can also write or call Tom Moss, director of Results Management in my office at (651) 215-1287. His email is tom.moss@state.mn.us, and his address is 300 Centennial Building, 658 Cedar

Street, Saint Paul 55155.

Honesty has been one of my most important values in this job. When I'm asked a question, I give an honest answer. That's gotten me into a fair amount of trouble over the years, but there's one big advantage. When you tell the truth you don't have to have a long memory.

Honesty in government is accountability. Minnesotans give up a lot of their hard earned tax dollars, and they gave me a lot of the responsibility to spend them wisely. We are working hard to manage that money well, and produce valuable results for Minnesotans.

Jesse Ventura is governor of the state of Minnesota

Higher ed *continued from page 4*

for higher quality does not. This should compel us to ask: "What is in the best interests of our students and our state?"

Minnesota has had the argument about low tuition versus need-based aid before. It is time to abandon old assumptions and find new solutions. We need a system of funding higher education that encourages better preparation and higher enrollment in post-secondary education and training of all types, enhances the quality and accountability of all providers, and serves Minnesota's vital interests in the next decade.

We have reviewed the current economic and demographic data and reached two broad conclusions:

- ▲ Minnesota faces a chronic, long-term shortage of educated people which will not be ameliorated by limited short-term adjustments; and
- ▲ A statewide discussion about our economic and social future is urgently required.

To initiate that discussion, we offer four policy goals which are designed to respond to conditions that, if left unattended, will undermine Minnesota's vital interests. They are:

- ▲ **Increase the statewide high school graduation rate** from 79 percent to 90 percent by 2010.

- ▲ **Increase the in-state post-secondary participation rates** within one year after graduation from 43 percent to 65 percent by 2010.

- ▲ **Increase higher education degree completion** for associate, bachelor's, master's and professional degrees by 25 percent by 2010.

- ▲ **Increase state support for need-based student aid** to 30 percent of total state expenditures for higher education by 2006.

We believe the achievement of these goals could provide the first significant step toward addressing the present and future challenges for higher education as well as our economic competitiveness and social stability. We believe these goals are entirely congruent with the reform principles adopted by the Citizens League and the Minnesota Business Partnership. We believe it is necessary for every sector in the education system to perform at its best, particularly public and private colleges and universities, if we are to achieve these goals. We believe and understand that the achievement of these goals will be difficult for some stakeholders, and that the political leadership in the state will need considerable assistance in reaching a comfort level with the depth and extent of change that

is required. Reflecting the urgency with which the MPCC board views the achievement of their four policy goals, Mark Chronister, managing partner of PricewaterhouseCoopers and chair of the board's Public Policy Committee, said, "I do not think we have a choice. If we hope to remain competitive in the next decade, meeting these goals is the minimum of what we must accomplish."

The convergence of many voices can make a mighty call for constructive change. Editorial board members, education writers, and business leaders throughout the state are beginning to speak up on these issues. Our question to the Minnesota Journal's readers is: "How will you participate in this essential discussion about our economic and social future?" **MJ**

David B. Laird, Jr. is president of the Minnesota Private College Council. To obtain a complete copy of "A Bigger Bang for the Public Buck: Achieving Efficiency and Equity in Higher Education," prepared by Jenny B. Wahl, associate professor of economics, Carleton College, visit the Minnesota Private College Council website at www.mnprivatecolleges.com and click on Government Affairs. The direct link is http://www.mnprivatecolleges.com/government/bigger_bang.html.

OnBalance

Views From Around the State

Redistricting and baseball – hot topics at the capital and across the state.

It appears that many Greater Minnesota communities are less than pleased with the outcome of judicial redistricting.

"The new political boundaries released this week reflect the changing landscape of Minnesota: increasingly vacant landscapes in southwestern and western Minnesota, slow growth in the rest of Greater Minnesota, and explosive gains in the Twin Cities metro area," opines the **Mankato Free Press (3/21)**. "The changing political landscape makes it more important that out-state Minnesota residents, lawmakers and communities work together on common issues. With 60 percent of the state's population in the metro area, the rest of the state can't afford to be divided on issues that are uniquely important to them, such as rural transportation, economic development and the environment."

The **Bemidji Pioneer (3/21)** is upset that the new district boundaries split their region, fracturing the city's influence as a regional power. "Bemidji is growing as a regional center, and is becoming a retail and government center in all of northern Minnesota, from Brainerd north and between Moorhead and Duluth. Yet, the judge-drawn redistricting plans carve up the Bemidji area, diffusing any influence it may have in both the U.S. House and Minnesota legislature. In looking at redistricting statewide, it appears that Bemidji is the only regional center that is sliced and diced in both the Minnesota legislature and congressional redistricting. Not only did rural Minnesota come out badly, as was expected, but Bemidji constituents were served even worse in a plan in which they must now live with for the next 10 years."

Given the shift of political power from rural to urban, the **Worthington Daily Globe (3/21)** is concerned that that rural issues could take a back seat. "One rural congressional district will be lost, and other districts will look very different. The concern for southwest Minnesota and other non-metro

areas is that rural issues will take a backseat to the needs of dense urban areas...issues vital to our state's rural areas will still be addressed, and many of our concerns will be met. But now, we'll need a little more help from those who care more deeply than others—and a little more understanding from the power centers of government."

The **Marshall Independent (3/21)** is extremely concerned with the population implications of redistricting for the state and the region. "It all shakes out to a serious confrontation with the new political realities in rural Minnesota. We're losing people fast, and the area barely has its own political definition; the judges had to stretch the region's boundaries in order to find enough people to meet the district's demographic requirements."

Editorial writers in the metro were also talking about the impacts of the new district lines.

"The new legislative plan will mean considerable turnover in the two houses, since nearly a fourth of the incumbents are paired with colleagues in the same district. That's not all bad. But in a few cases, it will mean the loss of some talented public servants," writes the **St. Paul Pioneer Press (3/21)**. "It's unfortunate that the GOP House and the DFL Senate could not have agreed on redistricting plans, sparing the court from the need to become involved in the messy political process. But the judges have done about as well as anyone could have expected."

Outstate newspapers are also critical of the stadium legislation proposals.

The **Fergus Falls Daily Journal (3/15)** argues the state's money could be put to better use. "If we were to take our cue from the Minnesota Senate, we would think the world turns only because Minnesota has a professional baseball team. Despite the desperate needs of education, the desperate needs of transportation improvements, the

desperate needs of families and children during an economic downturn, state senators this week voted to use taxpayer money to help build a stadium for the Twins. The vote was government at its worst. Minnesotans can only hope that the House will show more sense when it considers a similar bill."

The **South Washington County Bulletin (3/20)** is concerned about a proposal to tax newspapers to help fund a new stadium. "One of the arguments made by the author of the bill was that newspapers benefit from coverage of the Twins. In other words, readers pick up the paper to check out the sports page and read about the Twins. In the case of the St. Paul *Pioneer Press* and the *Star Tribune*, that argument might hold some water. However, there are enough holes in that theory to drain Lake Michigan in a couple of hours. More than 300 of the newspapers which would have to pay the tax in Minnesota get no benefit from the coverage of the Twins. In fact, it is unlikely the Twins ever grace a single page of the weekly newspapers in the state."

The **Fergus Falls Daily Journal (3/18)** is also concerned about the proposed tax on media. "Outrageous is the only word to describe a provision in the stadium bill that passed by the Minnesota Senate and now awaits approval by the House. The provision would allow the stadium to collect a fee for news media to cover events. At this point that would include sporting events, from Vikings and Twins games to high school tournaments. Do lawmakers believe such a user fee will make a difference in paying for a multi-million stadium? Sounds like the same financial planning that pushed Minnesota into a \$2 billion deficit. It would literally be like raising \$1 million by collecting pennies. The fact is that if the fee is passed, newspapers will likely have to pass the cost on to its readers and advertisers. It would be interesting to have lawmakers explain to the Johnson family why it costs a dime more to see coverage of their son play in a state tourney." MJ

TakeNote

Policy Tidbits

Interesting items gleaned from our increasingly interconnected world.

A small carrot for urban education?

Education Week (March 20, 2002) covered the Broad Foundation's announcement of a \$500,000 prize for the urban districts' that show the greatest success in improving test scores and in closing achievement gaps between students of different racial and ethnic groups. The focus is on outcomes and not on projects or initiatives in the school systems. Not everyone is impressed with the venture. The article quoted Chester E. Finn Jr., president of the Washington-based Thomas B. Fordham Foundation, as saying "When I look at the truly broken school systems of America, they're so inert and helpless that I'm not sure that this incentive will do them much good." More information on the prize, including a list of eligible districts, will be posted at www.broadfoundation.org.—Lyle Wray.

The international community may be following Minnesota's footsteps in dealing with cigarette makers. In a recent report issued by the Tobacco Free Initiative of the World Health Organization, D. Douglas Blanke, director of the Tobacco Law Project at William Mitchell College of Law, called on the international community to work together to utilize litigation to control tobacco companies. Minnesota's massive tobacco settlement may show more countries that such litigation might be the answer to the question of control measure for the industry. The full report is available at www.who.int.—Scott McMahon

The labor shortage in the nursing profession is real. But while Minnesota's vacancy rate of 5 percent in nursing is a cause for concern, it pales compared to Florida's 16 percent vacancy rate, and the current 20 percent vacancy rate in California. The national average for nursing vacancies is 13 percent, according to data from the American Hospital Association.—L.W.

Generation E. As reported in the March issue of *Governing* magazine, the Twin Cities ranks 12th in the country in the number of hours per week spent on line by 12-17 year olds (12 hours and 32 minutes). Pittsburgh logged in first at 15 hours and 49 minutes and Atlanta last of the top 25 at 10 hours and 15 minutes.—L.W.

Enron is taking a toll on the nation's pension funds. A recent issue of *Governing* magazine reported that the Minnesota state pension fund was one of 18 pension funds that lost at least \$20 million due to the collapse of Enron. The Florida state board of administration lost \$335 million. Other pension funds that lost more than \$100 million include University of California regents (\$144 million), Georgia state pension (\$127 million), Ohio state pension (\$144 million), New York City pension (\$109 million) and Washington state employees (\$103 million).—S.M.

Online users access government services. According to a 2001 survey by the University of Maryland's Robert H. Smith School of Business, 50 percent of adults who go online have visited a state or local government website, 33 percent have visited a federal government website, 16 percent have conducted business with a state or local website and 11 percent have conducted business with a federal government website.—L.W.

Post-welfare struggle exists. According to a recent survey by the Urban Institute, many families experience major financial problems during their post-welfare period. Of those surveyed, 46.1 percent reported a time when they were unable to pay their mortgage, rent or bills; 39.9 percent experienced a period when they had no food nor money to buy food; 35.1 percent worried that food would run out before they received more money; 32.7 percent had to cut meal size because of a lack of food.—S.M.

Transit in perspective. In the face of headlines showing a major recent boost in transit

use nationwide, Anthony Downs writes in the March *Governing* magazine that transit actually made up only 1.15 percent of total passenger miles traveled. Even though he suggests that improving transit is a worthwhile goal, we need to keep a clear understanding of the facts in front of us. Also interesting to note is the fact that the New York City MTA alone made up 20 percent of all transit trips in the country.—L.W.

Have you ever wondered how having the University of Minnesota ranked as one of the top research universities in the nation affects the state? According to the U.S. Department of Commerce, for every \$1 million spent on research at the university, the economy grows by 37.8 jobs. In 2001, the University of Minnesota received \$498.4 million in sponsored research. The top donor for research funding is the federal government, which is led by the National Institutes of Health granting \$217 million.—S.M.

The value of an education keeps increasing as the years go by. According to a recent Census Bureau survey, average household earning power for people 25 and older encompasses a range of \$74,800. The average family annual income for households 25 and older is as follows: less than a high school diploma - \$29,400, high school diploma - \$45,400, some college - \$60,300, Associate degree - \$91,100, bachelor's degree or higher - \$84,000, graduate degree - \$104,200.—S.M. MJ

Take note contributors include Minnesota Journal and Citizen League staffers.

The Minnesota Journal
Citizens League
708 S. Third Street, Suite 500
Minneapolis, MN 55415

PERIODICALS
POSTAGE PAID
AT MINNEAPOLIS
MINNESOTA

Welcome**New and returning members**

Joe Friedrich
Mark Hamel
Patty Hansen
Jeff Holcomb
Louis Johnson
Pam Longfellow
Brad Peterson
Shelley Rose

Thanks**To our recent contributing firms**

Cincinnati, Inc.
CommonBond Communities
Creative Carton
Celo-Pac/Midwest Division
Goodin Company
H.B. Fuller Company
Minnesota Chamber of Commerce
Minnesota Insty Prints
Neerland and Oyaas, Inc.
Prudential
Standard Heating and Air Conditioning
Wells Fargo Minnesota

CITIZENS LEAGUE

708 South 3rd St. Suite 500
Minneapolis, MN 55415
612-338-0791 Fax 612-337-5919
www.citizensleague.net

The Citizens League promotes the public interest in Minnesota by involving citizens in identifying and framing critical public policy choices, forging recommendations and advocating their adoption.

The Citizens League is an open membership organization. Suggested dues are \$50 for individuals and \$75 for families. Please call 612-338-0791 for more information.

The League in the 60s: national recognition begins

Verne Johnson was hired to replace **Ray Black** as Executive Director in 1958. Johnson was an ex-state legislator who had worked for **Congressman Walter Judd**. Despite being active with the Young Republicans, he was not considered partisan and had earned the respect of DFLer **Don Fraser**, who recommended him to the League.

During Johnson's tenure several important changes occurred: from being watch dogs attending every City Council meeting, the League began to see itself as an agent of change; from reacting to other's ideas, to proposing its own; from standing issues committees, to project-specific ad hoc committees; and most importantly, from Minneapolis-focused to Twin Cities-focused.

Johnson also initiated several League programs that are still done today, including public policy breakfast meetings, now called the Mind-Opener breakfasts, the property tax survey, and the Public Affairs Directory.

By the late 50s and early 60s the League began to look beyond just Minneapolis matters and concentrated increasingly

on Hennepin County government. A significant number of successful reports were produced during this period: Minneapolis school construction, Hennepin County Hospital, Hennepin County courts and county redistricting. But by the mid-60s the League recognized the emerging interdependence of municipalities in the Twin Cities metropolitan area and urged a regional ap-

Time Magazine, in a 1973 feature on Minnesota, singled out the Citizens League as the most "notable" civic force in the state.

proach for solving problems that were more metropolitan in nature.

In 1966 the League looked at the question of the future of the St. Paul zoo and ended up recommending a metropolitan-financed zoo east of St. Paul in Maplewood. The project was a major factor in the League becoming a metropolitan organization. In 1967 a League committee co-chaired by Republican **John Mooty** and DFLer **Dave Graven** helped break a legislative deadlock by proposing a sales tax as relief for the property tax and as a new source of revenue to finance schools and local government.

The 1967 Legislature adopted the League's recommendation to create the Metropolitan Council, perhaps the most significant outcome of the League's direction toward area-wide solutions.

The emerging regionalism created an evolution in the League's name. It began as the Minneapolis Citizens League in 1952. It later became the Citizens League of Greater Minneapolis and then the Citizens League of Minneapolis and Hennepin County. By the mid-60s, recognizing its emerging regional focus, it became simply the Citizens League. At the same time, the League made a major push to expand its individual and corporate membership base into St. Paul and the eastern suburbs. St. Paul insurance executive **Tom Swain**, former aide to **Governor Elmer Andersen**, was instrumental in the League's eastern expansion.

In 1967, Verne Johnson decided to accept a job at General Mills. **Ted Kolderie**, an editorial writer with the Minneapolis Star and Tribune, who had been writing for years about issues of interest to the Citizens League, was recruited as Executive Director. Kolderie's contact with the League went all the way back to 1954 when he had served as an intern on the new organization's staff.

The League continued to be active in metropolitan affairs and tax and finance issues during the first several years of Kolderie's administration. Associate Director **Paul Gilje** played a key role in the understanding and action on tax and finance issues. A flurry of activity occurred in 1971. (continued on the back page)

Contact information for Phil Jenni

Wildlife Rehabilitation Center
PO Box 8141, 1946 Fitch Ave.
St. Paul, Minnesota 55108
(612) 625-7033
pjenni@wildlife-rehab.org

90 percent response rate to League special appeal

In late February, Citizens League President Dave Durenberger sent out an urgent plea to 146 current board members, former board members and other close friends of the League. "We need to raise an additional \$50,000 in the next 30 days," Dave explained, "to meet our cash flow obligations."

We were able to follow-up by phone with 131 of the members who received the special appeal letter. Eighty-three recipients made payments within the 30 days with a combined total of \$108,810 in additional contributions. Sixteen of the remaining members have made specific dollar amount pledges totaling \$6,300, and an additional 19 have indicated that they will be making a contribution to the drive for some amount. Put another way, 118 of the 131, or 90 percent, have pledged to pay.

The shortfall was the result of two developments. First, the Citizens League was contracted to do studies for state and local government

offices. However, the studies were cancelled due to budget shortfalls experienced by the government. Second, the League has experienced a \$100,000 reduction in corporate support related to mergers, acquisitions and contribution policy changes.

The League would like to thank the members who have participated in the special appeal. To date, the drive has brought in a total of \$115,720 in cash and pledges. This will help the League to continue working at making Minnesota a great state and a national leader in policy innovation.

However, we are not in the clear yet. The continued support of our membership is still needed.

If you have any questions about these changes, and/or you would be willing to help, call the League's Volunteer Development Director Cal Clark at 612-338-0791.

Join us next month when we introduce the League's Volunteer Development Director Cal Clark.

HONOR ROLL SUPPORTERS

as of April 3

John Adams	Sara Gavin	Chuck & Hertha Lutz
Judy Alnes	Paul Gilje	Tim Marx
Mary Anderson	Peter & Scotty Gillette	Don Mc Carthy
Marcia Avner	Peter Gove	Lee Munnich, Jr.
Duane Benson	John & Virginia Greenman	Joe Nathan
Ray Black	Howard Guthmann	Pam Neary
Bill Blazar	Kit Hadley	Chuck Neerland
Bob Bonine	Roger Hale	Norman Newhall
Andy Boss	Sandra Hale	Dennis O'Brien
Martha Brand	Keith Hallelund	Wayne Olson
John Brandl	Peter Heegaard	Al Olson
Ronnie Brooks	Susan Heegaard	Vance Opperman
Andy Brown	Bill Hempel	Todd Otis
Ellen & Peter Brown	Jim Hetland	Jack Parsons
John Cairns	Jan Hively	Larry Perlman
Mike Christenson	Jack Hoeschler	Dan Peterson
Cal Clark	Terry Hoffman	David Piper
Dick Clarke	Ruby Hunt	Wayne Popham
Chuck Clay	Ed Hunter	Bob Provost
Earl & Elie Colborn	Peter Hutchinson	Matthew Ramadan
Jay Cowles	Curt Johnson	Chris Roberts
John Cowles, Jr.	Verne Johnson	Steve Rothschild
Rollie Crawford	Bill Johnstone	Jon & Dana Schroeder
Buzz Cummins	C. Paul Jones	Laura Sether
Gary Cunningham	Steve Keefe	Clarence Shallbetter
Pat Davies	Ken Keller	Kent Shamblin
Bob de la Vega	Steve Kelley	Jim Shannon
Chuck Denny	Bill Kelly	Bonnie Sipkins
Glen Dorfman	Sean Kershaw	Glen Skovholt
Jim Dorsey	Jay Kiedrowski	Chuck Slocum
Anne Duff	Jean King	Jan Smaby
Dave Durenberger	Ted Kolderie	Fred Speece, Jr.
Kent Eklund	Bill Lahr	Archie Spencer
Robert Erickson	Shef Lang	Barbara Sporlein
Linda Ewen	George Latimer	Tom Swain
Laurel Feddema	Todd Lefko	Missy Thompson
John Finn	Greer Lockhart	Tom Triplett
Rich Forschler	Barbara Lukermann	Parker Trostel
Terry Fruth	Dean Lund	Emily Anne Tuttle
George Garnett		Kathleen Vellenga
		Vin Weber
		T & Mary Lou Williams

League in the 60s: continued

League recommendations were approved on:

- tax-base sharing, or fiscal disparities, a nationally recognized and sometimes controversial law that has endured largely unchanged for twenty years
- the reform of the system of state aids to schools and cities that had been the subject of a heated League debate between gubernatorial candidates **Wendell Anderson** and **Doug Head**
- the establishment of a college without walls, Metro State University.

The package of tax reforms passed that year was called by the American Council on Intergovernmental Relations (ACIR) "the miracle in Minnesota." Time Magazine, in a 1973 feature on Minnesota, singled out the Citizens League as the most "notable" civic force in the state.

HUMPHREY INSTITUTE POLICY FORUM

**Winds of War, Winds of Change:
Politics and Policy in A Post-September 11 World**

THURSDAY, APRIL 25

Humphrey Institute of Public Affairs, Cowles Auditorium
301 19th Avenue South, Minneapolis
8:00 a.m. to 12 noon

Maybe September 11 really did "change everything," as we have heard Americans often say over the past seven months. But exactly what has changed—and how will these changes affect the future? What have we learned and what else do we need to think about? A panel of distinguished commentators will discuss these issues from four perspectives at the Policy Forum's spring conference Winds of War, Winds of Change: Politics and Policy in a Post-September 11 World.

Go to www.citizensleague.net for more information