Leaders offer more suggestions for budget priorities

Part 2 of 2.

Editor's Note: In the interest of contributing to the work now underway on the Governor's fiscal year 2002-2003 biennial budget, the Minnesota Journal asked a group of community leaders to offer their suggestions for priority issues for the budget and for the next legislative session. Last month's responders included: Dee Long of Minnesotans for an Energy Efficient Economy; Hennepin County Commissioner Mark Stenglein; Russ Adams of the Alliance for Metropolitan Stability; and Dudaah Mayor and League of Minnesota Cities President Gary Doty.

This month's responders include: David Doth, director of the Minneapolis Department of Health and Family Support; Rip Rapson, president of the McKnight Foundation; Dick Moberg, vice president of Montage Marketing Services; and Peter Wyckoff, executive director of the Minnesota Senior Federation-Metropolitan Region.

Support housing, 'U', health care, special adoptions, local revenues

by David Doth

The Ventura Administration's deliberations about priorities and directions for his proposed 2002-2003 biennial budget are underway. Where should the Governor propose new spending? What are some of his challenges? How do we struggle with a vision for the state's future?

Governor Ventura had it right in his 1999 Big Plan: "Local economies won't be healthy or vital without available affordable housing for every citizen—and especially for new workers." But this is a statewide issue needing the Governor's continued leadership and a place in his next budget.

The University of Minnesota is a critical state asset. It is a state asset no less important than our lakes, rivers and farmlands. As an economic engine it continually advances the level of human capital everywhere in the state. As a center for innovation and new technologies, tangible economic benefits accrue to the region. This is a big-ticket item. This university needs stepped-up, long-term support from the Governor and the Legislature.

The Big Plan also raised the challenge of building a "Health System for the Next 50 Years." Good idea. Too bad on any given day there are still 40,000 kids who are uninsured and still looking for a health system that will take care of today's ear infection or tomorrow's broken wrist. Governor Ventura has consistently stood up for poor kids. As a society we have to finish the job, simplify the system and extend health care coverage to all kids.

Pay attention to the health-care safety net. Community clinics and a few community hospitals are providing an extraordinary amount of uncompensated care. This safety net of community providers is threatened. The topic is complicated, health plans can't resolve the matter alone and reasonable people often disagree; but these community providers do need state support.

Five years ago Minnesota emerged as a national leader in the adoption of special needs children—kids with disabilities and physical challenges. Ensuring a home for every kid is a state priority and thousands of special needs children have been adopted over the last five years. This is a quiet program that is working. But permanent placements cost money and increases in adoption assistance need support next session.
Radical, disruptive change hit the department store business—Dayton’s included—in the 1950s. It was called "suburbia." Suddenly customers no longer had to get on the bus or car and ride downtown. They could shop at a supermarket with lots of free parking and stores open evenings. And some of those stores were low-priced, low-rent "red K" on the front: discount stores.

The corporation responded. It opened Southdale, one of the first upscale, indoor suburban shopping malls. And it created a new subsidiary that took "the bargain basement" out of the old downtown store and put it in new buildings in the suburbs. It was its discount house: Target.

This was exceptional. Most department stores did not respond aggressively. Dayton-Hudson is, in fact, the only American department store firm to become a leader in discount retailing, says American School Business, in a recent article (Harvard Business Review, March/April 2002). His article is full of implications for the way we are now confronting American school districts.

State switched signals

Radical, disruptive change has hit school districts. Initially the state has switched signals.

Worse: On the horizon are new forms of school: low-budget, not flashy, differentiating differently from "regular school." Regular school is losing market share steadily to the alternative programs, charter schools, home schools, private schools. It is having trouble finding superintendents and principals, having trouble innovating, having trouble containing its costs.

This challenge—this combination of radical change in the districts' "assignment" and the appearance of the "distinctive innovations" in their market—will require a radical response by districts.

Create innovative sector

But how can districts respond dramatically, quickly?

The answer—the Christensen analysis suggests—is to do what Dayton-Hudson (now Target Corp.) did in the 1950s. Create new organizations, their own innovative sector. State law now makes this possible. Through the charter law a district can create new and different schools that are part of the board's program of public education, yet another separate from the state structure of the existing district administration.

Districts ought to do this, if only to get at the problem of high school.

The large, three-or-four-year, comprehensive high school is a disaster, Judy Coddington and Tom Vander Ark said, cold turkey, to the Education Commission of the States national meeting in Minneapolis July 11. "Half the kids are on a treadmill to nowhere," said Coddington, who heads the National Center on Restructuring Education.

Vander Ark is a former superintendent who now heads the education program for the largest private foundation in the world, the Bill and Melinda Gates Foundation. "Half the students wander through high school on the 'general track,' a path of least resistance and low expectations that results in a lack of marketable skills," he wrote in Education Week June 21. "A quarter of the students never finish high school at all."

Like most established organizations, high schools are terribly bad at change.

The only way for districts to change high school is to get outside the old culture. In Chicago, in an experiment, says Fred Hess of Northwestern University, the Vallas administration is now letting elementary school districts add secondary grades.

Traditionally districts would not do this. But it's possible this is changing.

Testifying before the House K-12 Finance Commission in mid-February, Charles Kyte said that as superintendent in Northfield he'd wanted the board to see itself as supervising all forms of schools: its owned schools, area learning centers, charter school, home school. Kyte is the new executive of the Minnesota Association of School Administrators. Paul Houston, the executive of the superintendents' national association, also argues for a new view. "I'm now trying as hard as I can," he says, "to open people's eyes to the people of the difference between keeping the faith and preserving the church."

Public education is a set of principles, Houston says, about access, equity and accountability. "If we keep that faith it will be OK to change the church. The church is not the faith."

Creating an innovative sector would be logical—a strategic move for districts. But don't bet it will happen. The board in Minneapolis thinks this way. (See Minnesota Journal, Sept. 21, 1999.) But that board is exceptional.

Mostly, districts are in denial, as if a quarter or (in big cities) half the freshmen not graduating were not as bad as a tornado doing out a quarter of the houses of a city.

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city. Mainly the response is to affirm their altruisms and good intentions (which are real), to appeal for loyal support and additional resources, and to make incremental changes in their strategy in the manner of the old model. And, of course, teaching kids how to pass tests.

You don't have to drive far to districts moving rapidly to create lots of new schools and in the broad class model with schooling that "targets" students and "tinkers with kids how to pass tests." The Charter Schools Act was "put into effect" by 476 district people say.

This is the way to think about "charter schools." In letting these public schools run by others also be sponsored by others, the Legislature has not been thinking simply about letting a few groups create a few schools for a few kids. The charter law is the Legislature's strategy for system change in mainline K-12—simultaneously a response to the challenges from private education and a stimulus to its "old organizations" to change and improve.

Look for traditionalists to make one last major attack on this state strategy next legislative session. Some of them are in the state's teachers', union, some in the Department of Children, Families and Learning. Teachers in charter schools may like them, but unions do not. Officials oriented to regulation want these schools back "under control." The closure of a big charter school in Saint Paul is arguably a demonstration of accountability, a point in favor of the charter sector; it is in no way a failure of the idea. But it has set opponents crying for "tighter regulation.

Look for state policymakers to resist and to reject that effort. The state has to have a system that works. It has worn out trading money for promises. The state has to develop an innovative sector.

The state owed it to the districts to give them the capacity now to respond to that challenge. It was the state, after all, that created the challenge by switching signals, insisting that kids do have to learn. With districts now able to create an innovative sector of their own the question next is, Will they use it?

Ted Kolderie is coordinating editor of the "state has to do develop an innovative sector."
Reform property taxes, control prescription drug prices for state seniors

by Peter Wyckoff

2001 presents Minnesota an opportunity to respond to increasing needs of our "graying" state. The agenda for seniors includes transportation, comprehensive health care and community-based care, tax reform and health care. The Minnesota Senior Federation will be focusing on two of these issues during the coming session: prescription drug costs and property-tax reform.

Prescription drug costs. While seniors comprise roughly 11 percent of the state's population, they purchase over 30 percent of all prescription drugs. Persons over 65 legally cannot buy health coverage as bad as that provided by Medicare itself. Among its failings is a lack of outpatient prescription drug coverage, at the very time people need drug coverage the most. The problem is particularly acute in Minnesota, where more than two-thirds of Medicare beneficiaries have no prescription drug coverage and Medicare reimbursement is as much as one-half as it is in other parts of the country.

And net profits that are over twice as high and drug costs for seniors, as well as employers and those with coverage. Costs for prescription drug coverage, at the very time people need drug coverage the most. The problem is particularly acute in Minnesota, where more than two-thirds of Medicare beneficiaries have no prescription drug coverage and Medicare reimbursement is as much as one-half as it is in other parts of the country.

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Juicy policy bones for the dog days of summer.

Mass transit investments: David Luberoff reported in the July issue of Governing that nationwide, buses carry more than 60 percent of mass transit passengers, but receive only 33 percent of transit capital investments. Light-rail transit, by contrast, carries three percent of mass transit riders and receives 12 percent of capital funds. Commuter rail carries four percent of passengers and gets 19 percent of capital funds. The capital investment in each mode correlates with the per capita income of riders on that mode: the lowest income riders get the lowest per capita investment and the highest income the greatest.—Lyle Wray.

There’s a breakthrough in fuel cells, The Economist reports. In fuel cells oxygen and hydrogen react to produce electricity. They, rather than batteries, now look to be what will power automobiles after petroleum. Engineering improvements at General Motors have produced a small fuel cell, the equal of a 1,600 cc. engine, that delivers up to 65 percent of its energy to the wheels—three times the efficiency of a gasoline-burning engine. Its exhaust is water. GM hopes to have a car in showrooms by 2004.—Ted Kolderie.

The good news: For democracy and freedom, the 20th was a very good century, according to the Jan., 2000, Journal of Democracy. In 1900, there were no electoral democracies with universal suffrage; by 2000, there were 120. In 1990, only 12 percent of the world’s population lived in electoral democracies; by 2000, the figure had climbed to 63 percent. The bad news—from the world’s leading democracy, the United States—is reported by the Pew Research Center: While 79 percent of Americans have cable or satellite TV, 59 percent have home computers and a third say they both “like the news a lot” and “like all the new ways they can get it,” 71 percent are unaware of the federal budget surplus and 56 percent have no idea who Alan Greenspan is.—Janet Dudrow.

Among parents of children in public schools, support for vouchers has risen from 51 percent in 1994 to 60 percent in 2000, according to a poll by Phi Delta Kappa. Among African Americans, 60 percent support vouchers—an all-time high—and among those under 35, 70 percent support vouchers, according to a poll by the Joint Center for Political and Economic Studies. Both polls were reported in the July 15 The Economist.—L.W.

Superintendent Charles Kyte learned an important lesson when he organized the first evaluation of the charter school in Northfield, he told a House K-12 Finance Committee hearing recently. “If you send traditional people to look at an innovative program, they’ll come back saying it’s not a good program.”—T.K.

All the testing of kids in schools has not only caused schools to teach to the test: It’s creating a new industry in tutoring for the test. Families are buying; districts are buying. Vendors—both of in-person and of on-line tutoring—are looking at this quickly becoming a $2-billion-a-year industry, it was reported at an education-industry conference in Detroit July 28. What have we done?—T.K.

If divorcing parents need another reason to keep their kids out of their marital squabbles: Researchers at the Center on the Demography of Aging at Johns Hopkins have found that elderly divorced people are less likely to live with their children and more likely to rely on formal paid care than their nondivorced peers. And divorced dads who get informal help from their kids get 18 fewer hours a week of quality time than widowed parents. Divorce seems to affect the relationship between parents and kids well into the twilight years.—J.D.

Also on the aging front, from Japan, where 1.9 million people—1.5 percent of the rapidly-aging population—are in various stages of dementia: Mitsui, NTT DoCoMo (the phone company) and Zenrin (a map specialist) are developing a global positioning system (GPS)-based device that can be used to find disoriented elderly people when they wander off. A transmitter worn by the individual continuously sends coordinates to a server and the location can be displayed on a map in response to a search request—kind of a high-tech “clapper” for mom and dad. The developers are hoping Japan’s new nursing-care insurance program will pay for the units. Look for the gizmos on the market next year.—J.D.

Baby Boomers begin to go bust. In 1999, the number of baby boomers in the United States peaked at almost 79 million and will now dwindle steadily, according to USA Today (July 25). In 2031, the first boomers turn 85. In 2046, when the first boomers turn 100, there will be an estimated 19 million survivors.—L.W.

Contributors to “Take Note” include Minnesota Journal and Citizens League staff members and Janet Dudrow, policy analyst at Dorsey and Whitney in Minneapolis.

The Minnesota Journal
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PERIODICALS
POSTAGE PAID
AT MINNEAPOLIS
MINNESOTA
Welcome
New and returning members

Lisa Brienzo
Wendy Brower
Steven and Anne Decoster
Gary Doty
Davitt and Jeanne Felder
Lynn Gitelis
Kathy Jorgensen and Kevin
Hoyhtya
Robert W. Kaul
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Troy Mangan
Thomas Poul
Judith Schwartz
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Regina Wagner
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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. Please call 612-338-0791 for more information about membership.

Mark your calendar!
Thursday, Sept. 21, 2000
Citizens League 47th annual membership meeting

CITIZENS LEAGUE matters
NEWS FOR CITIZENS LEAGUE MEMBERS AUGUST 22, 2000

Sign-up for new League study committees
Mind-Opener policy series kicks off the project on August 29

The Minnesota Department of Human Services has contracted with the Citizens League to address mental health policy in Minnesota. The project will look at two areas of particular concern: adult mental health and employment and children’s mental health needs.

The project will begin with a series of Mind-Opener breakfast meetings (see the other side for details). After that the League will convene two new study committees — one to examine issues surrounding adult mental health and employment and the other to look at children’s mental health issues. Each committee will meet about three times a month from September to December. Meeting times and committee chairs will be announced soon. No prior knowledge or expertise in the field of mental health is needed; in fact citizen generalists are encouraged to apply.

Adult Mental Health and Employment

Although many companies have begun to address the physical health and well-being of their employees, less attention has been given to employee’s mental health. The cost — in both lost productivity and direct health care expenses — is significant.

People who have a mental disorder also remain a largely untapped resource for the dwindling labor supply, due to the stigma associated with mental illness.

The committee will examine:

• How do employees’ mental health issues impact the workplace? Are there successful strategies to assure good mental health for employees?
• What can be done to address the barriers to hiring and retaining workers with mental health issues?
• Are employers aware of the services available and how can mental health and rehabilitation service providers connect with the business community?

Meeting the Mental Health Needs of Minnesota’s Children

Because many adult mental health disorders have their roots in childhood, early intervention and prevention of childhood mental illness is essential for both the individual and society. Moreover, children require different diagnosis procedures and treatment approaches than adults.

Identifying and successfully treating children with mental health disorders is crucial to success in school, relationships at home and preparation for life as a contributing member of society.

This committee will examine:

• What policies and strategies should Minnesota pursue to identify and meet children’s mental health needs?
• What resources are needed to guarantee access to mental health services for children in all of Minnesota’s communities?
• What are the costs of failing to prevent or intervene in a child’s mental health problem? How can we pay for the services needed?

Committee Membership Application

If you are interested in serving on one of the League studies on mental health, please fill out the form below and mail it to the League office or send us an email. You will also be able to sign up for the committees at the Mind-Openers.

Name ____________________________ Occupation ____________________________
Address ____________________________ Employer ____________________________
City, St, Zip ____________________________ work address ____________________________
email ____________________________
daytime phone ____________________________ I am interested in ☐ Adult/employment ☐ children

Mail to Citizens League 708 South 3rd Street, #500, Minneapolis, MN 55415 or email info@citizensleague.net
Mental Health in Minnesota

Tuesday, August 29
Michael O’Keefe
Commissioner
MN Dept. of Human Services
Commissioner O’Keefe will provide an introduction to mental health issues in Minnesota.

Thursday, August 31
Melinda Schamp
Mental Health Professional
Rise, Inc
Ms. Schamp will discuss efforts to employ individuals with mental illnesses

Thursday, September 7
Steven Lepinski
Executive Director
Washburn Child Guidance Center
Mr. Lepinski will address major issues in the field of children’s mental health.

Research over the last few decades has dramatically increased our understanding of the causes and treatment of mental illnesses. New treatment strategies and drug therapies have made community-based care a reality for many individuals. Health care professionals are also increasingly promoting lifelong mental well-being rather than just the treatment of acute mental health problems.

At the same time, the stigma associated with mental illness continues to limit our ability to recognize and treat mental health problems. Some mental illnesses go undiagnosed as individuals struggle with the tasks of daily life. And people with serious mental illnesses are still left on the margins of society.

All meetings in this series will be held from 7:30 - 8:30 a.m. at the Commodore, 79 Western Ave., St. Paul. Free parking is available. The cost is $10 per person and includes a continental breakfast. Pre-registration is recommended, and can be made online, by emailing info@citizensleague.net, or by calling (612)338-0791.

Good ideas for a better place
Theme for Citizens League 47th annual meeting

This year’s annual membership meeting, scheduled for Thursday evening, September 21, will give members a chance to talk about the life of the League. We’ll dispense with our usual format of the past few years and instead give you a chance to join with other thoughtful people to talk about the League’s future.

During the past year the League Board formed two sub-committees. One was asked to examine the League’s mix of programs and activities and the other was asked to look at strategies to diversify revenue sources. The Board approved both reports in May, but decided the issues raised by the two groups warranted further discussion.

Executive Director Lyle Wray will begin the discussion with a brief contextual overview. Committee chairs Kent Eklund and Chris Roberts will outline the key themes in their reports ... and then we want to hear from you, members and friends of the Citizens League. George Latimer will lead the discussion as we break into small groups.

So mark the date — Thursday, September 21 — on your calendars now. Details with exact time and place will be mailed soon.

A Retrospective on Planning in the Region

On September 15-17, the Humphrey Institute’s Master of Urban and Regional Planning degree program will celebrate its 25th anniversary and its new role as a University of Minnesota interdisciplinary program. The weekend’s events, which are open to the public, will bring together a variety of participants - alumni, practicing planners, urban policy makers, citizens, graduate students and former and current Planning faculty - to reflect on the history and future of urban and regional planning. League Director Lyle Wray will present his views at a Saturday morning panel on "A Half Century of Planning in the Region."

Throughout the celebration, discussions and events will revisit the University’s contributions to and evaluations of the region’s landmark planning initiatives. Speakers and panelists will include: John Adams, Ragui Assaad, John Bryson, Karen Chapple, Gerry Christenson, Margaret Dewar, Robert Einsweller, Susan Hoyt, Barbara Lukermann, Ann Markusen, Bill Morrish and Jim Solem.

Tickets that cover admission to Friday evening activities and Saturday morning and afternoon events are $40 ($20 for students). Also included in the ticket price is a half-day motor coach tour of Twin Cities neighborhoods and development projects. Registration for the tour is extremely limited, however, so register for that early. A buffet dinner and Beaux-Arts Ball will be held in the University’s Gateway Center. Tickets for the ball are $50. For ticket/registration information, contact Michael Leary at 612-626-1074 or mleary@hhh.umn.edu.