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"The real problem in Minnesota, and one that threatens our continued survival as a high-performing state, is that we have no adequate leadership structure in place for public education, a critical part of our social and economic infrastructure."

—John Kostouros

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Evaluating Minnesota's school choice options: what really happened?

by Joe Nathan

Rudy Perpich, Connie Levi, Ember Reichgott Junge and Alice Seagren were right. Public school choice has enormous benefits. Youngsters who participate in these programs often improve their performance. And school choice programs help produce clear improvements in the broader public education system. But choice plans and participating schools do need to be monitored. These are the key findings of a new, two-year study, *What Really Happened? Minnesota's Experience with Statewide Public School Choice Programs*, published in May by the Center for School Change at the University of Minnesota.

The study examines what has really transpired since 1985 when Minnesota passed its first statewide public school choice law, Post Secondary Options, and the impact of three subsequent reforms, Second Chance Laws (1987), Open Enrollment (1988) and Charter Public Schools (1991).

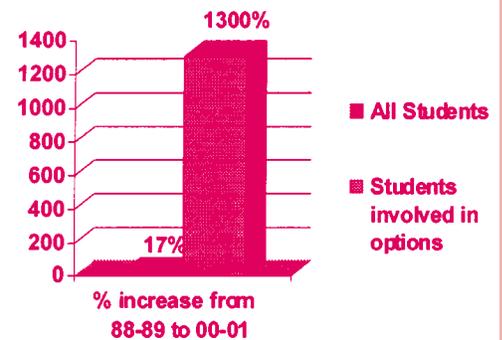
Students' stories

Hundreds of thousands of students have used these laws. Behind the statistics are thousands of stories like these:

▲ Ann was a bright, bored suburban high school student. Then Minnesota passed Post-Secondary Options, allowing her to attend college full time. She took tough courses at the University of Minnesota, made the dean's list, and excelled in her chosen field, physics.

▲ Raul's family immigrated to the United States when he was young. Not able to speak English well, he had trouble in school. He was heading in the wrong direction when his girlfriend insisted that he needed to get a good edu-

The number of students using public school choice options increased sharply



cation. He enrolled in the school that had helped her: City Academy, the nation's first charter school, located in St. Paul. Part of his school work involved an internship with a local utility. He impressed the company, which decided to hire him, and has helped pay for his post-secondary education.

▲ Susan was a rural high school student who earned many honors. But she became pregnant, was kicked out of the National Honor Society and removed from the cheer-leading squad. She considered suicide. But she used Minnesota's Second Chance program to attend a small Area Learning Center. She wrote: "With my ALC teacher's help I found a purpose for life." She graduated, continued her education, and she is employed and taking care of herself and her child.

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Letter: Accurate economic forecasts not the only ingredient in public policy

Across state government, teams of analysts, economists and planners are employed to track Minnesota's economic performance and fiscal situation. It's usually thankless work. Yet we believe it important. At the Department of Economic Security, we produce more than statistics: We extend labor market intelligence to inform the public and improve decision-making. We are flattered when our research products are cited, circulated and considered discussed—so long as they're not misused.

Louis Johnston's commentary in *Minnesota Journal* (June 2002) is presented as an analysis of Minnesota's recent economic performance. For the most part, the analysis looks credible. A tour of the numbers though is not our intended destination: Dr. Johnston is taking us on a ride. While we're considering Minnesota's declining employment, he asks that we also speculate on the decision making records of our state's policymakers, analysts and economists.

Dr. Johnston asks readers to "suppose... that the state revenue department constructs a forecast of tax collections. They will be able to prepare a more accurate forecast if they know whether or not the economy is in a recession." Simple enough. He goes on to recommend that analysts "utilize monthly data and adjust their revenue forecast more quickly and perhaps prevent the governor and legislature from making ill-informed budget decisions."

These are great recommendations—who can disagree? Unfortunately, they rhetorically presume that our current forecast methodology, if we have one, is all fuzzy math. In fact, the forecasts produced by the Department of Finance and its consultant are more sophisticated than Dr. Johnston will acknowledge. (Finance's reports are online at www.finance.state.mn.us/ffe/.) Inputs to the forecast models now in use include quarterly Gross Domestic Product (GDP) estimates—Johnston is skeptical of these—but also corporate profits, business investment spending, construction activity, consumer spending, automobile sales, disposable income of households, unemployment insurance claims activity, employment (jobs) and total payroll, as well as income tax, corporate tax and sales tax payments. And yes, most of these indicators are continuously monitored by the state.

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What the study found

The study, co-authored by Penn State Professor Bill Boyd along with the Humphrey Institute's Deb Hare and this writer, spent two years examining Minnesota's four major statewide public school choice laws. The authors surveyed more than 2,000 students, reviewed previous research and unpublished state department records, and interviewed more than 50 Minnesotans—both proponents and opponents of the choice legislation. Key conclusions included:

- ▲ More than 30 percent of Minnesotan's secondary students (grades 7-12) now use one of the state's four public school choice laws. The number is growing dramatically. Since 1988-89, the number of K-12 students in Minnesota has increased 17 percent, while, the number of students using statewide public school options has increased more than 1,300 percent.

- ▲ School choice has helped produce a number of improvements in the larger K-12 system. For example, Post-Secondary Options helped convince a number of high schools to offer new advanced courses: Advanced Placement, International Baccalaureate, or College in the Schools. The rate of increase is more than twice the national rate of increase of students taking AP courses.

- ▲ More than 80 percent of students participating in Post Secondary Options say they would do it again, if given the chance.

Most of the dire predictions from choice opponents have not happened. Opponents predicted, for example, that public school choice would hurt opportunities for students with disabilities. Yet research by University of Minnesota Professor James Ysseldyke—who initially was skeptical of the choice laws—found that they helped students with disabilities.

Opponents also predicting that charter schools would be "elite institutions." In fact, charter schools serve a student body

The number of students sitting for Advanced Placement exams in Minnesota is rising faster than the national average

Nationwide	Number of Students	Number of Exams Taken
1986	231,378	319,224
2001	844,741	1,414,387
Percent Increase	365%	443%

In Minnesota	Number of Students	Number of Exams Taken
1986	1,970	2,483
2001	14,839	23,015
Percent Increase	753%	927%

that is significantly more racially diverse, and more low income, than the state's district run public schools.

The study raised several concerns. First, parents and students are asking—in some cases, pleading—for more information about their options. The Center for School Choice intends to convene a meeting with government, business and advocacy groups to discuss how to help families make more informed decisions.

Secondly, the study urged a careful examination of the state's "Second Chance" programs. Some "alternative schools" have squandered millions of dollars, in part because districts did not adequately check qualifications before giving them a contract. Moreover, some alternative schools appear to have a large turnover, and can learn from more successful options.

The full report is available at www.hhh.umn.edu/centers/school-change/ Overall, it's a strong endorsement of public school choice—one of the key recommendations the Citizens League has made since the mid 1980's. **MJ**

Joe Nathan is Director of the Center for School Change at the University of Minnesota and co-author of the study, What Really Happened? Minnesota's Experience with Statewide Public School Choice Programs.

Viewpoint

Building on Minnesota Milestones and The Big Plan results

by Lyle Wray

In teaching an online course this summer on outcomes measurement, one thing that amazed me, but perhaps should not have, is that virtually none of the several dozen students based in the Twin Cities metropolitan area had ever heard of *Minnesota Milestones*. When students looked at the reports on the web they were generally quite impressed and wondered why no one ever got the message out.

Minnesota Milestones began more than 11 years ago in 1991 when then Governor Arne H. Carlson began to involve the public in setting goals for the state's future. He believed that a shared vision, clear goals and measurement of results would lead to a better Minnesota. Thousands of people throughout the state helped create the original vision and goals by attending community meetings, writing letters, completing surveys and commenting on early drafts of the *Minnesota Milestones* report.

After revisions in 1997 and 1998, the final draft of *Minnesota Milestones* contained 19 major goal areas and a related set of 70 progress indicators to track how well the state was accomplishing those goals. The 19 goal areas were grouped into four broad themes: people, community and democracy, economy and environ-

ment. Anyone reviewing the results of these progress indicators would get an objective picture of how the state is doing and be able to identify some of the issues urgently in need of attention.

The Ventura administration developed *The Big Plan* for Minnesota. It included 29 executive branch initiatives in four main areas: healthy vital communities, self-sufficient people, service not systems, and Minnesota world competitor. Of the Big Ten indicators included in *The Big Plan* (there were actually 11) seven were virtually identical to progress indicators in *Minnesota Milestones*. Each of the 29 initiatives relates directly to reporting on results from the state agencies. Despite the fact that *The Big Plan's* results overlap the *Minnesota Milestones'* in significant ways, it has been criticized as political.

As a new administration prepares to take office in five months, it is time to draw a few lessons from these two efforts to set and track the progress of important goals for Minnesota.

Get the executive and legislative branches to buy into the process and make it bi- or tri-partisan

Both *Minnesota Milestones* and *The Big Plan* have been executive branch initiatives where little effort was made to get the legislature to buy in. This will likely prove fatal, in political terms, for both plans. By contrast, Oregon has a system that was built on bipartisan support and both the governor and legislature were involved. Not only has the process been used to shape state budgets for more than a decade, it has now spread to the state's largest county and largest city so that there is an avenue for better communication and priority setting across three levels of government. We should learn from Oregon's experience.

The next governor and legislature should market a goal setting and tracking initiative and communicate about it

The state of Victoria, Australia, pur-

As a new administration prepares to take office in five months, it is time to draw a few lessons from these two efforts to set and track the progress of important goals for Minnesota.

chased a huge amount of billboard space at good rates off-season to market their new e-government web channels on health and business development, among others. While the Minnesota Department of Transportation uses billboards to advertise 511.com, a road conditions website and voice system, it has been the exception. We can learn from others: the message needs to get out on where the state is going and how we are doing on getting there.

Add goals, results to political debates

It is all too easy for campaigns to focus on a few wedge issues to draw the faithful to the polls. We should expect political debate in this state to focus on more than just the usual suspects—transportation and the stadium issue. Both *Minnesota Milestones* and *The Big Plan* contain very useful content for public policy discussions. We should insist that goals and results be grist for the governor's race this fall and expect governors to track them and report. The citizenry of Minnesota deserves a government that sets ambitious, sound, definite goals and works productively to achieve them.

Minnesota Milestones is on the web at: <http://www.mnplan.state.mn.us/mm/index.html> and *The Big Plan* results can be viewed at: www.mainserver.state.mn.us/governor/big_plan-results.html. MJ

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Lessons from Denver: reaping the benefits of regional cooperation

by Sarah Sladek

The Minneapolis Regional Chamber of Commerce invited a delegation of more than 70 Twin Cities business and government leaders to participate in the Inter-City Leadership Visit to Denver last April.

The delegation toured the city, met with their counterparts in Denver, and heard presentations on economic growth strategies, transit-oriented development, workforce housing, sports stadiums, arts and entertainment support, and bio-medical development.

During their visit, the ICLV delegation learned about a region that saved itself through regional cooperation and a renewed perspective.

In the early 1980s, Denver was in poor economic condition. Lease space was being auctioned for 14 cents per foot, and the city was ranked the nation's second worst for air pollution. While sunshine and snow-capped mountains continued to lure tourists, few people were interested in establishing roots there.

The Metro Denver Network was created in 1987. Tom Clark, one of the founders, explained that MDN was founded on the belief that the Denver metropolitan area should be marketed nationally as one entity.

City leaders established the principles of the MDN agreement, which included the following statements: we must act as one region; we must share equally in all economic development prospects; and no public money will be used.

The MDN raised \$6 million the first year, and life in the Denver region began to change.

"We don't fight with our suburban neighbors over economic development," explained Denver Mayor Wellington Webb. "Our fight is with Phoenix, Orlando, San Francisco and other metropolitan regions."

Regional cooperation is a common thread in each of Denver's economic success stories. According to Mayor Webb, with regional cooperation, challenges become opportunities. Here are some examples:

Denver was ranked the seventh most congested area in the nation for 10 years. The region went to work on building a

regional transportation system. The growth of light rail has gentrified lower income areas and is creating economic vitality. The regional rail system is funded by six-tenths of one-cent sales tax.

In the planning stages, Denver International Airport was controversial due to its size, location, and cost. Communities in the region cooperated to build DIA, recognizing it would be vital to economic growth. The airport cost approximately \$5 billion. It is the largest in the world in land area.

Denver has the highest rate of job churning in the nation and 38,000 are unemployed. The region is experimenting with reverse recruitment—marketing job seekers instead of marketing jobs—and providing skills training for laid off workers. The business community has partnered with Denver Public Schools to provide training and career guidance.

Nine years ago, Denver had two sports teams and two obsolete stadiums. Since then, the region has built and opened three new stadiums, and is now home to five professional teams. The Pepsi Center stadium was built with 95 to 98 percent private funding and sells out all games.

The delegation was impressed. Here are some of their thoughts:

"Perhaps it came out of the bust times a decade ago, but public officials in Denver have apparently learned to work together on a regional basis much better than we have here in the Twin Cities," said Dave Mona, chairman of Weber Shandwick Worldwide.

"What the Denver area has been able to accomplish in the past decade is amazing, but they were able to get past the idea that they were competing with the next city in favor of competing with similar urban areas around the country and around the world," he said.

"Leadership in Denver recognizes that the region is competing in the global economy. They recognize that they need to work together to achieve competitiveness and they work very consciously to create good teamwork," said Janna King, president of Economic Development Services in Minneapolis.

"In the Twin Cities, a lot of time and energy is wasted on internal competitiveness—central cities verses suburbs, St.

Paul versus Minneapolis. We only have so much time and energy, and when we waste our resources fighting internally we forget the bigger picture. We need to develop a vision for our economic future and work together, across political and jurisdictional boundaries to achieve that vision," King added.

Louise Dickmeyer, president and CEO of the Minneapolis Regional Chamber of Commerce, noted, "Whether you talked with the Mayor of Aurora, or the economic development director of Jefferson County, or the chamber of commerce president of Inglewood, they all possessed the 'rising tide raises all the boats' sentiment.

"It wasn't just lip service either. They have a lot to show for having committed to a co-cohesive, non-parochial economic development strategy. We could only listen and watch in awe knowing full well we have to get there ourselves."

Given the opportunity to advise local political officials based on what they learned in Denver, ICLV delegates were not opposed to taxation.

"Specifically, the Twin Cities might ask the state legislature to allow, through referendum, its voters to decide on establishing funding mechanisms for say, the arts or zoos, sports stadiums, or transportation funding," Dickmeyer said.

"Voters in the Denver six-county area approved the use of a sales tax to fund Coors Field, Invesco Stadium, their arts, zoos, and cultural centers, and a multi-modal transit system to boot. In return they have a city and region that is competitive and growing faster than many in the U.S.—including the Twin Cities."

Mona said the Denver region has used small increases in the sales tax to solve large problems. "Time and again we heard people talk about the small burden of one-tenth of a cent and what it could accomplish when applied metro wide," he said.

King also noted the success of the sales tax and Ellen McInnis, director of Minnesota Government Relations for Wells Fargo Minnesota, added, "Up front investments in regional systems and amenities pay for themselves over time by the economic growth and the increase in the tax base generated by that growth."

McInnis said her advice to local policy

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OnBalance

Views From Around the State

Nuclear storage, party prospects and national security are among the issues keeping editorial writers across the state abuzz.

Yucca Mountain Responses

“It is clear that the U.S. government has chosen a potentially dangerous site for storing nuclear waste and is pushing for its approval in spite of well founded criticism by scientists and transportation safety experts,” argues the Rochester **Post Bulletin** (7/11). “Critics have said the waste shipments would expose 55 million Americans to possible harm if the casks were penetrated in rail or highway accidents or if they were damaged by terrorists shooting armor-piercing weapons. One route for waste shipment would be via I-90, seven miles south of two hospitals, the Mayo Clinic and downtown Rochester.”

The Bemidji **Pioneer** (7/10) disagrees. “The lack of a nuclear waste site could threaten to shut down nuclear power plants which provide 25 percent of the state’s energy needs. Xcel Energy will run out of storage space at its Prairie Island reactor in five years,” the paper notes, adding “the Prairie Mdewakanton Community is breathing easier, knowing that the deadly nuclear wastes will now be moved away from its reservation borders.”

“Yes for Yucca Mountain” lauds the Red Wing **Republican Eagle** (7/10). “The Red Wing plant is at center stage of the Yucca Mountain resolution. Licenses for the plant’s two reactors expire in 2013 and 2014, and Prairie Island is the first of the nation’s nuclear plants scheduled to run out of on-site storage. That will occur in 2007, provided the plant operates at capacity.”

The Independence Party

“A true multiparty race for governor is both exciting and unsettling. It has the potential to produce a riveting campaign that engages large numbers of Minnesotans in their state’s governance.

But it could also produce a winner backed by fewer than 40 percent of the voters,” states the **Star Tribune** (7/15). “No more can it be claimed that IP is a one-shot wonder that would not survive the exit of Gov. Jesse Ventura. Neither can it be fairly said that the IP is merely a collection of political misfits, or that it is a haven for outcasts of a single party.”

The Red Wing **Republican Eagle** (7/26) questions what the Independent Party’s platform stands for. “The Independent Party has talked more about what it is against rather than what it is for. Even Tim Penny, the Independent gubernatorial nominee, has said ‘The Party platform does need to be a more proactive statement.’ The fact is that Minnesota has not elected a third-party legislator in at least 25 years. It is up to Penny and the slate of candidates to prove the Independence Party truly has an identity.”

“The question of whether there would be life for the IP after Ventura will be answered this weekend. And with intra-party competition, the answer is most definitely a ‘yes,’ notes the **Mesabi Weekly** (7/10). “While no one anywhere on the current political scene has the charisma—for good or bad—of Ventura, his ‘shock the world’ win in 1998 wasn’t just all about personality. The opening for an independent party candidate was provided by the two major parties. And Penny, already pretty much even in polls with the two major party candidates shows that the IP was not just a one-night stand in Minnesota Politics.”

Tightening the state’s driver’s license requirements

“We’re hard-pressed to understand objections to Public Safety Commissioner Charlie Weaver’s effort to tighten up regulations relating to obtain-

ing a Minnesota driver’s license,” argues the Brainerd **Daily Dispatch** (7/26). “The logic behind Weaver’s crackdown is the quaint notion that driver’s licenses should be restricted to those people who legitimately qualify for them. Driver’s licenses are probably the most frequently used piece of identification in the United States. Making sure they’re legitimate helps not only law enforcement but shop owners or businesses that need to check their customers’ identity.”

“The Minnesota Civil Liberties Union provides a valuable watchdog function in the state. But in its challenge to a rule put into effect by Public Safety Commissioner Charlie Weaver regarding identification required for first-time driver’s license applicants in Minnesota, the MCLU is wrong,” contends the **Mesabi Weekly** (7/25). “Weaver correctly points out that the hijackers of Sept. 11 used driver’s licenses as a ‘gateway’ identification card to move about the country as they planned their attack on the United States. This is not an overreaction to Sept. 11. This is not too far a reach in homeland security in Minnesota.”

The **Pioneer** (7/25) agrees. “Short of a national identification card, states’ driver’s licenses are the most popular way of identifying an individual and they should be the most accurate way of proper identification—including a picture. Possession of a valid driver’s license is an access card to any number of services, places and actions throughout the country—from driving rights, to purchasing firearms, to establishing credit. Ensuring that only individuals properly in this country have that kind of access only seems prudent and a positive action for public safety.” **MJ**

K-12 leadership void hurts state

by John Kostouros

Recently the *Star Tribune* ran an article about how the past three governors, three very different leaders, began their terms as strong supporters of Minnesota's public schools, only to end up at war with the education establishment and criticized for being anti-education. The writer parroted the conventional wisdom that the pattern resulted from a no-win pressure to constantly placate the education establishment with more money.

In this theory, when a governor can deliver as much money as the K-12 lobby asks for, he's considered a friend to education. But the minute the state's K-12 appropriation falls short of that request, the governor falls from grace. Then, if he makes the mistake of complaining about the pressure he's been put under to deliver a big increase, or, god forbid, he suggests that the public schools need some changes or improvement, he's dubbed an enemy of public schools and used as a punching bag by the K-12 lobby.

There's no doubt some truth to this analysis. The K-12 lobby, led by the teachers union, Education Minnesota, and the school boards association can be thin-skinned when it comes to criticism or suggestions for improvement. But the conventional wisdom misses a bigger problem. The struggle for state funding is natural, and goes on in all areas of the state's business. But it doesn't result in every governor ending up at war with the constituencies for that issue.

Because in most other areas of the state's policy business there is an established leadership structure that can understand and negotiate the issues and forces at play in the field, set some reasonable priorities for action and state funding, lead the effort to build public and institutional support, get the appropriate funding and laws through the Legislature, then take the lead in carrying out the strategies.

Not so for K-12 education. In Minnesota, everything falls to the governor, who, for many reasons, is ill suited to handle the leadership role for K-12, and to whichever legislators take an interest in K-12 schools along with their other legislative interests. As a result, in Minnesota the governor ends up having to develop and promote through the

Legislature a policy agenda he's usually not suited to determine.

This goes a long way toward explaining why Minnesota hasn't had a major K-12 policy initiative since the early '90s, when a new approach to graduation standards and state administered standardized testing were developed. And it's at the heart of why those two initiatives, especially graduation standards, have suffered from unclear direction and constant rethinking.

It also helps explain why Minnesota governors tend to end up frustrated with their role in K-12 education. As the default leader on education issues they get

Most will tell you that they see Minnesota as directionless, and our schools declining as a result.

blamed for shortcomings in the school system, and become a target for any grievance by any constituency group.

The real problem in Minnesota, and one that threatens our continued survival as a high performing state, is that we have no adequate leadership structure in place for public education, a critical part of our social and economic infrastructure.

Unlike many states, we have no elected education commissioner. (Fourteen states do.) We are one of only two states that do not have a state board of education. (Wisconsin is the other.) We did once, but the last 10 years of its existence the state board was marginalized by the governors and the Legislature, so people got frustrated and just killed it.

Minnesota's chief state school officer is a state department head appointed by the Governor, and seen by most legislators and educators as a subservient member of his staff. To make matters worse, our education commissioner has other responsibilities besides K-12 schools, including programs on child care, children's mental health and the state Health Department.

Not surprisingly, Minnesota's education commissioners often have short tenures, and are seen as relatively powerless by the

education system. To those who argue that the problem is that the current commissioner has been a particular disappointment, I'll just point out that the same thing has happened to all the others in the past 10-15 years. (There have been many.) In this case, it's about the leadership structure, not the leader in the job at the time.

As a result, what little state education policy that does get developed has been the result of a governor's passion for something, (Rudy Perpich fought for open enrollment and a state arts high school), or a strong constituency group pushing through a strategy (the business community wanted more demanding graduation standards). These initiatives have often been adopted over the objections of key K-12 constituencies, which have then worked to resist or eliminate them. That's why it has taken 10 years to get new graduation standards in place, seriously undermining the effectiveness of the strategy.

From time to time legislators develop an interest in K-12 education and try to exert some leadership—Larry Pogemiller in the Senate and Alice Seagren in the House come to mind recently. But legislators work in the highly compromising environment of the Legislature, so what gets produced this way is often muddled, or too difficult to implement to be of value. And legislators move around. Pogemiller, for instance has moved on from his education committee to head the key Senate Tax Committee.

All of this acts to demoralize the state's educators, who feel that their fate is being left to blow in the fickle political winds of the Legislature. In the meantime, the state's once vaunted K-12 system is declining, in relative funding and pay levels, in national status and in public support, just as the job is getting tougher, with more harder-to-educate children and higher graduation standards.

In 1999-2000, Minnesota ranked 10th of the 50 states in per pupil funding. Education Minnesota estimates that the average teacher salary here now ranks 17th nationally. Minnesota has one of the shortest school years in the country, as much as 20 days less than many U.S. districts, and 30 to 50 fewer days than most

K-12 leadership continued on page 7



Educators take Jesse to school

western European and progressive Asian countries.

More than 100,000 students now opt for “alternative” public schools created to deal with students who are not succeeding in regular schools. Thousands more are simply dropping out when they reach age 16, despite the dead-end they face in the job market as high school dropouts. Private schools are mostly oversubscribed, in spite of the fact that parents have to pay extra for them, often as much as it costs to send a child to college.

The Twin Cities metropolitan area is suffering from the under-performance of its two major school districts, which serve

about 100,000 students, and increasingly, by several suburban districts that are starting to exhibit similar characteristics of poor student achievement.

During the recent session the governor and several legislators, reflecting the conventional wisdom that the issue is simply a funding debate, voiced their frustration by asking, “How much money does it take to operate this system adequately?”

But how do you answer a question like that if there is no adequate leadership structure in place for determining and building a constituency for policy goals, and for determining the relationship between policy and funding?

Over the past ten years I’ve worked at all three levels of K-12 education: state, district and school. I’ve seen a lot of good people working hard to raise student achievement levels, but increasingly demoralized. Most will tell you that they see Minnesota as directionless, and our schools declining as a result. I fear they will continue to feel that way until we have clearer thinking and better guidance at the top. And right now, we’re not set up to get either. **MJ**

John Kostouros is an education consultant, writer and researcher.

Lessons from Denver *continued from page 4*

makers is to cooperate with one another at the local, state and federal levels on issues important to the entire region.

Jac Sperling, CEO of the Minnesota Wild, echoed this sentiment. “The key to economic growth of a region is to address regional issues regionally. We need to identify which issues are the most important issues for us as a metro area, and figure out ways for local governments to cooperate more effectively in addressing those issues,” he said.

John Richter, owner of Richter Properties, said city and government officials must act quickly if they want to create a competitive and successful region. “Denver’s population has increased by 200,000 in the last 10 years. More people have moved to its suburbs in the last three

years than anywhere else in the country. According to the *Wall Street Journal*, Denver’s average income increased more than any other place in the nation,” he said. “If we don’t want jobs for our children or grandchildren or friends, then we just won’t do anything.”

Minneapolis Mayor R.T. Rybak said he believes change is still possible. “The collection of business and civic leaders from our region has the will and the vision to develop the partnerships we need to make this community a national leader in transportation, housing and global competition,” he said. **MJ**

Sarah Sladek is the Communications Consultant for the Minneapolis Regional Chamber of Commerce.

Why then does Dr. Johnston invite readers to imagine that the state finance economist and his staff are wandering in the forest? There may be a political motivation behind his choice.

“This type of analysis could have aided the legislature and the governor in 2001. It was clear at the beginning of May [2001] that employment was falling in Minnesota and that a recession was either underway or imminent.... The 2001 tax rebates could have been trimmed or eliminated and the current budget problems might have been alleviated.”

Monday morning armchair quarterbacking is easy. But here are the facts:

First, analyses of slowing economic growth and pre-September budget woes were brought to the public’s attention by state agencies. The Department of Finance’s Economic Update, released in April 2001, acknowledged the slide into recession and presented hard evidence of a depressed Minnesota business sector: a steep drop in Minnesota corporate tax payments and a significant, continuing rise in layoffs and unemployment insurance claims.

Second, analysts and economists with state agencies do bring expertise to the table—but we do not make public policy. The argument that better analysis saves the day is all fallacy. In 2001, members of the Legislature had expert opinion and evidence on the likelihood of a recession then unfolding. Other political demands were more powerful and compelling. End result: Policymakers chose to hold the line on state higher education and workforce development spending—all in favor of delivering tax rebates.

A final ironic twist: Despite the critical review, Dr. Johnston’s own analysis relies almost entirely on current employment statistics produced by... analysts with the state of Minnesota. Yes, those were our numbers he presented. Current employment statistics are estimated monthly and presented by our labor market analysts to radio listeners (MPR stations and WCCO), newspaper readers, Web visitors, and our partner agencies.

You’re invited to take a look. Minnesota’s official economic and employment statistics can be found online at www.MnWorkForceCenter.org/Imi/.

Todd Graham is Regional Analysis and Outreach Manager at the Department of Economic Security, Research and Statistics Office.

TakeNote

Policy Tidbits

As August heat gives way to September breezes, political debate promises to heat up.

Minnesota life expectancy rises. The Minnesota Planning Department recently reported that life expectancy in Minnesota increased by 1.3 years from 1990 to 2000. Life expectancy is now 81.5 years for women and 76.5 years for men. Gains in life expectancy were smaller than in previous decades. Life expectancy in Minnesota increased by 1.6 years in the 1980s and by 3.2 years during the 1970s. "It's getting harder to get big gains in life expectancy," noted state Demographer Tom Gillaspay. Since mortality among children and young people is low, future life expectancy gains will depend increasingly on achieving falling mortality rates among the elderly.

Over the past three decades, the gap in life expectancy between men and women narrowed, from 7.4 years in 1970 to 5 years currently. The report, *Minnesota Life Expectancy in 2000*, is available online at www.mnplan.state.mn.us/demography/PopNotes/LifeExpectancy/MNLifeExpectancy.pdf.
—Lyle Wray.

Think rural Minnesota was left out of the stock market boom of the 1990s? Think again. Thanks at least in part to bulging portfolios, recreational and seasonal property has been in hot demand throughout the state, and many vacation destinations in this real estate niche saw market values niche go through the roof.

The market value of seasonal and recreational property statewide jumped more than 130 percent from 1990 to 2002, according to state Department of Revenue data. Crow Wing County, which includes the Brainerd Lakes region, saw the value of seasonal and recreational property grow by about \$850 million. Its market value of \$1.4 billion was about 50 percent higher than the next closest county (Cass). Other counties had smaller total market values, but even higher rate increases during the same period, including Cook County, which tripled to \$347 million, and Lake County, which quintupled to \$182 million.

Given the swoon in market values over the last year, it's tougher to say what lies ahead. But some see real estate as one of the few good (read: safe) investments out there today, particularly given the bulge of boomers head-

ing for retirement, and the finite supply of land, particularly waterfront property.
—Ron Wirtz.

Hybrid buses yield lower emissions and greater fuel efficiency. A recent study by the U.S. Department of Energy's National Renewable Energy Laboratory found that hybrid buses operate with lower emissions and greater fuel efficiency than conventional diesel buses. The study evaluated the performance of 10 prototype diesel hybrid-electric buses in the New York City Transit fleet. Hybrid buses showed 10 percent higher fuel economy and in-service fuel economy. New York City Transit has awarded contracts for an additional 125 hybrid buses in 2002 and 200 hybrid buses in 2003. A two page summary of the report may be found at: http://www.afdc.doe.gov/pdfs/diesel_hybrid.pdf.
—L. W.

County steps up to land preservation. On November 5, Dakota County residents will get to vote on whether to authorize \$20 million in bonds for the purchase and preservation of the county's natural areas and farmland. In a recent survey, county residents ranked preservation as very important. If approved, the referendum will result in a property tax increase of approximately \$17 per year for 10 years, based on the assessment for a median-valued home (\$176,500) in Dakota County. The approved plan is on the web at: www.co.dakota.mn.us/planning/farmland/farmland_project_adopt.htm.
—L. W.

Just another example of how people think transit costs money and cars don't. To pare

next year's budget, the Inver Grove Heights schools recently provided 650 parents whose kids lived within two miles of school with a choice: pay a flat \$100 to sustain bus service for the year or take the kids to school yourself. The district said two-thirds of parents would have to sign up to make it go, but only 125 did. The most common complaint: we can't afford it.

Let's see. For those parents who don't persuade their kids to walk, and don't discount their costs through a car pool, the minimum tab for their car to be the bus is about twice what the school district asked for. Not to mention the "cost" of the congestion hassle at the school. Of course, cars don't cost money, only buses do.
—Curt Johnson.

As perks grow for using credit cards, from frequent flier miles to benefits at certain stores, many families are choosing to make major purchases on credit. In July, *Governing* magazine reported that as the cost of higher education increases, many families are choosing to "purchase" it with credit and reap the credit card perks.

However, higher education institutions are finding credit card tuition payments are costing them money. The cost of processing fees is so high that the University of Colorado at Denver is considering prohibiting students from paying tuition with credit cards. Last year the school paid \$400,000 in processing fees. Maybe more schools should follow their lead.
—Scott McMahon.

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