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## Met Council faces push for new roles amid calls for more power in old ones

State law charges the Metropolitan Council with guiding “the orderly and economical development” of the metropolitan region with an eye to its “physical, social and economic needs.”

That’s pretty broad, not to mention vague.

However, the Council, created in 1967, focused early on delivery of region-wide services that were recognized as too large and complex for smaller units of government to provide individually—like sewers and waste-water treatment, big regional parks, transit, highways and airports. Ideally, the Council could and would phase its provision or approval of regional services so as

by Stephen Alnes

to avoid scattered, wasteful, leapfrog development of land and “shape” the region in the process.

That is the stuff on which the Council made its reputation and established its worth. It also played a varying role in securing a greater supply of affordable housing and has been active in some less-structured social issues like health and aging.

Now the Council is being pushed and drawn into taking on major new responsibilities that fit under the big tent of the law but are not what it is accustomed to doing. At the same time, it is being told

to keep on doing what it has been doing, only better. Examples of the new thrusts include:

- Gov. Arne Carlson wants the Council to lean hard on local governments to cut costs through sharing of services.

- The Council brought out a “Metro 2015” vision statement that purports to describe what the region will be like in 2015. The statement was harshly criticized by the Minneapolis Planning Commission, the St. Paul Planning Commission and the North Metro Mayors Association for, among other things, a perceived failure to describe accurately or

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## Experts like small schools

by Joe Nathan

Don’t expect significant financial savings or better student performance from larger high schools or school district consolidation. That was the advice given by nationally recognized researchers who spoke last month in Minnesota at meetings in Rochester, Morris, Bemidji and Bay Lake, sponsored by the Blandin Foundation and the Humphrey Institute’s Center for School Change.

“Hundreds of urban, suburban and rural communities around the country have decided that smaller secondary schools which offer fewer, not more courses will increase student achievement,” according to Bethany Rogers, who works with Ted Sizer and the Brown University based Coalition of Essential Schools (CES). Coalition teachers offer two to three hour, in-depth interdisciplinary courses. This allows teachers to know students well and to make connections between academics and the outside world.

Examples include the three-hour per day course on the Mississippi River offered by biology, English and social studies teachers at

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## Many local governments in metro area share services; some barriers remain

It might not be happening as fast or on as large a scale as Gov. Arne Carlson would like, but sharing of services among metropolitan-area local governments is widespread. A recent survey by the Metropolitan Council and the Association of Metropolitan Municipalities turned up 3,162 service-sharing agreements.

by Stephen Alnes

And that’s just part of the picture: Only about half of the 300-plus governmental units in the region responded to the survey, leaving reformers to guess about service-sharing in the other half. (The units include 137 cities, seven counties, 50 townships, 51 school districts and 57 water-related agencies.)

The survey turned up agreements covering purchasing, data processing, records management, recreational facilities, police, fire, criminal prosecution, personnel, assessing, teaching, senior citizens, drug units, hazardous materials, cable television and many more.

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# Put vision before structure in rethinking Met Council

In the 1960's pressing regional issues—primarily in the area of physical infrastructure—demanded regional responses and the Metropolitan Council was created. It may well be argued that the Council has done an effective job of addressing some regional physical infrastructure needs, such as waste water treatment.

In the 1990's there are still a number of important pending physical infrastructure issues, such as whether and where to build a new airport and finding effective alternatives to single-occupant vehicles for commuting. But other issues also demand regional attention.

At the Metropolitan Council's recent state of the region event, the theme was "trouble at the core"—growing poverty and income disparity, lack of transportation access by some in the core cities to jobs in growth areas of the region, and housing quality and access. Many of these issues are complex and linked; all spill over municipal boundaries. A key question is, What "institutional infrastructure" should we put in place to respond to these challenges beyond what is being done?

Before getting mired in the gritty necessities of devising structures and management systems to address regional issues, we must establish a clear vision of what it is that the region needs to get

## Viewpoint

by Lyle Wray

done. Based on that vision, we can proceed with any necessary revisions in structure and management approaches within existing regional and local governments.

As a starting point we need to look for issues that could serve as

Our core challenges include: ●continuing growth at the edge of cities, ●preserving existing housing stock, ●linking new jobs with transportation to where people live, ●bringing all parts of the communities along economically, ●creation of jobs that pay enough for families to live with-

*"The emerging challenge is more complex than dealing with physical infrastructure issues."*

key drivers of change in the region in the 1990's. We need a clear and tough assessment of where we are and where we want to be as a region. The work in "trouble at the core" and emerging data from the most recent census paint a disturbing picture of where we are headed unless steps are taken. They are a good starting point for this search.

The work by the Metropolitan Council in developing a vision for the region is also a beginning step. But it does not go far enough in defining an urban vision of how to address the various geographic parts of the region, different communities of ethnicity and income and the challenges facing us economically and socially.

out housing and child care subsidies and that help to reverse the tide of growing income disparities, ●affordable housing, and ●cost-effective transportation. Further, we face these challenges in the context of accelerating internationalization and competition within a world economy.

What do we need to put in place to get the regional job done? Two points should be made at the outset.

●First, a regional response does not necessarily imply or require that a centralized regional authority be established.

●Second, existing regional agencies should play a critical role in meeting the core urban challenges and addressing infrastructure needs.

Developing a regional response does not necessarily involve the development of a regional agency with "command and control" powers over the entire region. In areas as complex and multifaceted as those talked of in "trouble at the core," this would not be practical, even if desirable.

The emerging challenge is more complex than dealing with physical infrastructure issues. It will require new thinking on forms of joint vision-building, concerted searches for effective solutions, and flexible ways of carrying out plans of action. Existing regional and local agencies should be expected to play key roles in meeting the complex set of challenges faced in the region. Decisions on freeway expansions and urban service area extensions, for example, may need to be made by looking to a broader urban agenda.

As a kickoff we might benefit from a "regional constitutional convention" involving the governor, elected leaders and other key stakeholders in a focused dialogue on a vision for the region. Based on such a vision, changes to the regional framework established in law—whether changes in governance, structure or management—would be more informed and more likely to be productive.

Lyle Wray is executive director of the Citizens League.

# Focus on taxpayer welfare to get tax reform progress

*Edited excerpts from the Minnesota Taxpayer Association report Reforming Minnesota's Local Property Tax and State Aid System: Ending the Fiscal Illusion, November 1992.*

Progress on reform will come when the focus of the property tax debate shifts away from the welfare of local jurisdictions and regions of the state back to the welfare of taxpayers as distinct from their local governments and local officials.

To make that transition the following changes in how we view the property tax debate must be made:

## Stop thinking like this:

1. Each piece of the state and local system can be debated in isolation without regard to the rest of the system.
2. Local government jurisdictions are interest groups whose welfare must be advanced.
3. The ultimate goal of general purpose aid is to equalize tax rates across communities.
4. People who own lower-value homes are needy and should be given assistance through classification rates.
5. Property tax reform requires striking an acceptable balance in the distribution of state aids between the metro and non-metro areas of the state.

## Start thinking like this:

1. The state and local system is just that, a *system*. A change in any one component cannot be debated without knowledge of what's happening to the rest of the system.
2. Only taxpayers matter. Jurisdictions are the agents or vehicles of reform, not their primary focus. The combined effect of policy on taxpayer effective rates should be the primary focus.
3. The goal of general purpose aid should be that of equalizing only the fiscal capacity of com-

*"Only taxpayers matter."*

- munities, considering both their expenditure "needs" and their capacity to raise revenue.
4. People who own low-value homes *may* be needy. If they are, they can be helped with the highly targeted circuit-breaker without imposing an extra heavy burden on other property owners.
  5. The regional distribution of state aid dollars is an *outcome* of a set of rational policy instruments designed to address specific, stated goals. If the individual aid programs are properly designed relative to their objectives, the resulting regional pattern of aid should not be rejected.

## A plan for reform

1. Existing general purpose aids to local government should be abolished and the funds re-invested in other more effective and efficient programs of property tax relief.

Eliminate the following programs:

- Homestead and Agricultural Credit Aid (HACA);
- Local Government Aid and Equalization Aid paid to large cities;
- Disparity Reduction Aid.

The state funds released from these programs should be reinvested in the following ways:

- The loss of \$184 million in school HACA and Disparity Reduction Aid is replaced with \$250 million in additional general education aid and transportation aid.
- Redirect \$150 million for additional aid to counties to reduce levies for community health, corrections, and social service program expenditures.
- Revised equalization aid for cities with population over 2,500.
- Revised and expanded program of direct aid to taxpayers based

on their need for assistance. This property tax relief program should be renamed the "Income Adjusted Homestead Credit" program.

2. Replace the current 14-rate classification system with a more common system of differential assessments based on the type of property being taxed.

We propose three assessment classes and three assessment ratios:

- Farmland: 25%
- Residences: 50%
- Commercial/Industrial: 100%

3. We recommend that cities be given the option of imposing their property tax levy on cur-

## Sugarcoating

*From remarks by Nils Hasselmo, president, University of Minnesota, to the Citizens League on Nov. 17.*

What it comes down to is that we want to be both competitive and nice...Some investments in competitiveness are simply more productive than others, no matter what is said to sugarcoat the message.

rent *statutorily* exempt property.

4. Because of the great inequities in the distribution of local tax bases and concerns about local accountability, we cannot recommend that local governments be given new local revenue options at this time.

5. Eliminate the Local Government Trust Fund.

6. We urge the state to evaluate the need for existing mandates, to fund those it does not repeal to the extent that current state budget conditions will allow, and to prohibit the creation of new unfunded mandates.

7. We recommend that levy limits not be reimposed as a means of throttling local spending.

8. We support truth-in-taxation as a necessary element in controlling local spending.

## Big spending

*Edited excerpts from remarks by John Gunyou, commissioner, Minnesota Department of Finance, to the Citizens League on Dec. 1.*

Three spending areas account for about 60 percent of the total state budget, and they represent 85 percent of the projected increase in spending unless something is done.

Health care is the perennial spending leader. It's projected to grow by about 36 percent from this biennium to the next biennium.

The second spending area is elementary and secondary education. Spending on K-12 education is projected to go up by \$1 billion from this biennium to the next. That's an increase of about 22 percent. Only a third of that is because of more students.

The third spending area is property tax relief. Local aids are not the problem. Homestead and agricultural credits and the 30 other forms of property tax relief are the problem. Those are projected to cost us another \$280 million into the next biennium.

# Change school system to better prepare students

*Edited excerpts from remarks by Bob Vanasek, executive director of the Minnesota High Technology Council, to the Citizens League on Nov. 10.*

Our high school students lack the skills they need to get good jobs at good wages. There's little that's currently being done to prepare them for the transition from school to the workplace. What good does it do to graduate 91 percent of your students if some of your best employers aren't hiring them because they don't have the skills?

Let me offer some suggestions:

- Let's consider lengthening our

school year. Minnesota presently requires 170 days. The U.S. average is 180 days. Look at Germany, where it's 220 days. Or Japan, 243 days. I think we need a minimum of 30 days extension of our school year.

- We ought to seriously consider modifying the teacher tenure laws to make it easier for people to move into and out of the profession. Teacher tenure should not be automatic. We ought to use the higher education model, where tenure is granted to you by your peers.

We ought to change the system to move somebody out of the profession when it's not working.

We ought to consider changing licensure laws. Why shouldn't an engineer or a scientist at 3M be able to spend some time in the classroom transmitting some of the knowledge they have and also providing some role models to the children?

- What's wrong with leaving our school buildings open from about 6 in the morning till about 7 at night? What's wrong with merging our K-12 system with our human service system as it relates to programs for children?

- We ought to consider requiring school districts to pay the cost of remedial post-secondary classes kids have to take when they en-

roll.

- We need to invest in ways to systemically change the way math and science are taught in our schools.

- We ought to change the way teachers are prepared for teaching, as well as promote professional development for those who are already teaching.

- We should get more minorities and women interested in the math and science area.



Schools

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Little Falls High School, or the three-hour per day course on Poverty taught at St. Paul's Cretin-Derham Hall High School. Little Falls students read about the history and culture of the river, and spend time on the Mississippi conducting experiments and helping the federal government monitor water quality. Students in the poverty class read such books as Steinbeck's *Grapes of Wrath*, Dicken's *Hard Times*, and Kozol's *Rachel and Her Children*. The Cretin-Derham students also work several hours a week in an agency battling poverty, such as a homeless shelter, food shelf or advocacy group.

Tom Gregory of Indiana University pointed out that "Smaller schools average significantly fewer problems of violence and vandalism." That's worth noting when Twin Cities schools are considering buying metal detectors and hiring police to walk the halls. With CES help, New York and Philadelphia have major initiatives to create new small secondary schools, and to break up large buildings into distinctive schools from which families may choose.

Coalition of Essential School students are required to demonstrate complex skills before graduation, a much more sophisticated form of outcome-based education than generally is being promoted in Minnesota. Rogers explained that "Many young people do much better in these schools. Although planning takes time, teachers report they are much more satisfied. There's more knowledge, trust and respect among students and teachers."

That's exactly what state Rep. Kathleen Vellenga (DFL-St. Paul) wants. The new Minnesota House Education Finance Division chair thinks local communities will make better decisions than the Legislature about school size and consolidation. "It's not our job to worry about bean-counting," she said. "Focusing just on school or district size is bean-counting. The Legislature should get out of that."

Paul Nachtigal, director of the Rural Institute at the Mid-

Continent Regional Educational Laboratory in Denver, stressed "There's no evidence that widespread consolidation saves money. People figure they'll save by having just one superintendent. But most consolidated districts soon have as many administrators as the small districts had before. Fewer buildings may save maintenance costs, but those savings often are offset by higher busing costs."

Nachtigal described how cooperating schools can offer distinctive programs and allow students from nearby schools to select from among the courses. This retains the value of small schools with close connections to the community, while offering a richer curriculum to students. In Rothsay, Minn., for example, high school students operate the town's hardware and grocery stores as part of their course work. (The grocery store grossed \$300,000 last year). In nearby Barnesville students learn to do research as they produce videotapes that explore local issues. Students can take courses in both districts.

Minnesota Commissioner of Education Gene Mammenga believes that whenever geography allows, secondary schools should have at least 100 students per grade to offer the necessary courses. The Department of Education has cited research by David Monk of Cornell University, who proposed that number in 1986. But last month Monk insisted that "school and district size are not sufficient in themselves as measures of quality. In fact, recommended school sizes are declining. It's ironic that at a time when most authorities are recommending smaller schools, the push for consolidation continues."

The Minnesota Legislative Auditor's Office has cited an Illinois State Board of Education study to promote larger schools and districts. But Al Ramirez, executive deputy superintendent for the Illinois State Board of Education, said that research was poorly done. "Considering the size question in isolation is futile," he said. "Trade-offs and compromises are inevitable."

State Rep. Becky Kelso (DFL-Shakopee) told the conference, "Consolidation sometimes is a necessary alternative to putting up a new, multi-million dollar

building in each community. Many schools do not meet fire codes, and are not accessible to the disabled. We don't have the billions of dollars it will take to replace all of them." Kelso pointed out that if schools and service agencies share buildings, more communities can find the money to retain schools.

Kelso and Minnesota Education Association (MEA) officials at the Morris conference agreed that teachers in smaller districts sometimes are paid less than those in larger districts. "Is it fair to ask teachers to subsidize small classes?" Kelso asked. "I don't think so."

While everyone would like to earn more money, smaller schools and districts don't necessarily have to mean smaller salaries. In Cyrus, for example, a committee of MEA members run a nationally recognized magnet elementary school. They allocate the money for computers, field trips and salaries saved by not having a principal. A number of nearby parents are sending their youngsters into Cyrus under open enrollment. The school had several hundred applicants for a teaching vacancy last year.

Does equal educational opportunity require large districts? Could we have somewhat larger districts while retaining or even expanding the number of small schools within those districts? Are young people well served by

larger and larger schools? These are not just academic questions. They'll be considered by Minnesota judges examining the recent lawsuit challenging the way the state finances schools. These questions also will be considered by legislators seeking to find the best possible use of tax funds.

Minnesota has gone from 2410 districts in 1960 to 412 in 1992. State policy pushed hard to get bigger districts and schools. But bigger is not always better, cheaper or safer.

The academic success and close community ties of magnet schools in places like Cyrus, Delavan, Miltona, Nerstrand and Randall, along with small urban schools, show that arbitrary consolidation is neither economical nor wise. Redesigned small high schools are having great success in urban, suburban and rural areas. Some buildings must be closed, and greater cooperation is critical. Sometimes consolidation is the best option. We need big changes in education. But that doesn't mean most students will learn best in big schools, or big districts.

Joe Nathan is director of the Center for School Change at the University of Minnesota's Humphrey Institute. Copies of the study Source Book on School and District Size, Cost and Quality are available from the center at 626-1834.

Neighborhood creativity

Edited excerpts from remarks by Geraldine Jenkins, chair of the Living At Home/Block Nurse Program, on Nov. 18, in accepting the Metropolitan Council's Regional Policy Implementation Award for the program.

The Living At Home/Block Nurse Program is a neighborhood-based program that has offered a special challenge to the people and agencies in the health-care system. Creative solutions, when they do not fit system channels or the bureaucratic structure of governmental units, need system and governmental people who listen and are willing to act as facilitators.

Rather than saying, "You can't do that!" they say, "Let's see how we can jigger this around a little so we can partner with you and make your neighborhood-

based program work."

We need agency and governmental staff who figure out how to waive, modify or eliminate policies that prohibit services the neighborhood decides it wants to deliver. In the case of Living At Home/Block Nurse, 10 years ago six women sat around a kitchen table and decided they wanted to help their elderly neighbors stay in the neighborhood and postpone entry into nursing homes. It took some systems people and bureaucrats who were flexible and who wanted to assist in neighborhood problem-solving to make it happen.

Communities of people who are empowered will come up with creative, innovative programs. They'll raise the quality of life in their neighborhoods.

Share

Continued from page 1

The survey was part of the Council's "New Ventures in Delivering Government Services" project, created in response to Gov. Arne Carlson's charge to the Council to spread the bad fiscal news about future state aid to local governments and to be aggressive in finding the best examples of sharing and promote more of them.

On the way, the Council has learned, among other things, that 1988 local government expenditures in the region totaled approximately \$4.3 billion. That's the target. The per-household cost of those services rose eight percent a year from 1960 to 1988 while inflation was rising only six percent, according to Council findings. That gap is another obvious target.

Hitting the targets will be tougher than naming them. As new Council Chair Dottie Rietow said, "If anything were easy, we'd have done it already." But, she added, "we are all in a situation where the questions get simpler and harder... That doesn't mean we don't have to try harder and harder to find the best solution... I think they will be small steps and not giant leaps..."

Vern Peterson, executive director of the Association of Metropolitan Municipalities, cautioned that cities are already practicing "the more obvious ways of saving money by sharing." And city officials are well aware of the pressures on dwindling resources and agree that "we have to find better ways of doing things to hold down costs," Peterson said.

Terrence Kayser, Metropolitan Council staffer working on the New Ventures project, said the large number of sharing arrangements reported in the survey was somewhat surprising. But, he added, it shouldn't have been because "the agreements that we discovered are really quite logical... They're very functional... It's something any responsible manager would do."

Kayser said it's too early to know whether there are "great opportunities out there" for big savings. And "those people that are saying they are doing things as

efficiently as possible" probably don't know that for sure, either, he said.

"The only way to start to understand if there are other methods and procedures that would be more effective and efficient is to take some time and put some energy into studying these things," Kayser said. "There is a tremendous lack of data."

If you start asking questions about service-sharing, you will shortly get directed to David Childs, city manager of New Brighton, and to Steven Sarkozy, city manager of Roseville.

Childs spoke of a "legacy of sharing" among New Brighton, Shoreview, Arden Hills, Mounds View and St. Anthony. They recently did their own survey of sharing and concluded that "41 to 42 percent of what goes on in these five cities is actually merged or cooperative."

Looking for still more, officials in the five cities listed 10 activities they think their communities do well and 10 others where they saw needs. They took the top five from each list and tried to match them up. Some early likely prospects included building inspection, cable television coordination, code enforcement, computer expertise, management-information systems.

They also tried to figure out the optimum size for delivery of each service, Childs said. For example, police patrolling is a function that works best in small geographical areas with relatively small populations. But police dispatching is a big-area item, as are such specialized teams as bomb squads or fire-fighting units to deal with hazardous materials. So some services might be metro-wide or cover several adjacent communities while others clearly would work better at a lower level, Childs said.

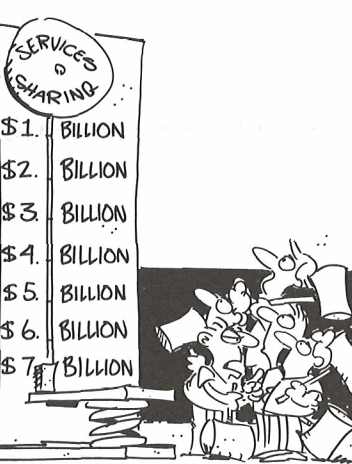
The message is that cities can't always approach sharing in terms of big departments like police or parks and recreation, but often have to break them down into individual functions to find the best opportunities for sharing.

One frustration for the sharers and would-be sharers is that not enough information exists on how much can be or is being saved. Childs said some sharing

ideas that look like cinches to save money turn out otherwise. For example, the five cities have a total of five part-timers, the equivalent of 1.3 full-timers, working on cable television. The cities considered hiring a single full-timer to serve all five cities but discovered that would cost more money (primarily in fringe benefits) and would probably cut service quality. One person couldn't be as many places as the several part-timers—for example, when city councils meet on the same night.

Roseville and Falcon Heights, adjacent communities with many things in common, hired the accounting firm of Deloitte & Touche to look for potential savings and service improvements that could be achieved through outright merger of the two cities or through cooperation or other arrangements.

And once the deal is cut, arguments can arise over whether the service is delivered fairly between or among the communities. Also, liability insurance can be different for different kinds of service-sharing.



The secret is to all swing together!

Communities are different, he said. Some have strong neighborhood groups. Some have strong business districts. Some are heavily unionized and others less so. The decision-making process is different depending on the strengths and desires of interest groups, he said. The differences can stand in the way of agreement on sharing services.

Another potential problem is the risk the Metropolitan Council runs as it tries to carry out Gov. Carlson's charge. As the AMM's Vern Peterson put it, "forced cooperation" is an oxymoron and doesn't work. William Barnhart, Minneapolis government relations representative, says the Council, to be successful, will "have to have a pretty fair handle" on cost savings before it pitches any service merger. If savings aren't provable or are insignificant, local governments will just say, "You don't know what you're talking about," he said.

"We had expected more potential savings," Sarkozy said. A rough estimate for the savings resulting from consolidation

would be less than two percent of the cities' combined budgets annually. However, the cities are continuing to look for service-merger opportunities and have not abandoned the idea of consolidation.

Although the service-merger benefits can be sizable, so are some of the barriers to sharing. Some community leaders and their constituents find it difficult to give up a measure of their identity, independence and power by hiring another town to provide a service. In some cases, the savings from a service arrangement go unevenly to the participating communities. It's fairly easy for two communities to agree on joint delivery of a service; it's much tougher to agree on prices and conditions.

And once the deal is cut, arguments can arise over whether the service is delivered fairly between or among the communities. Also, liability insurance can be different for different kinds of service-sharing.

Sarkozy, who also chaired the staff that served a legislatively created commission to study service-sharing and efficiency in Ramsey County in 1991-92, talks of the need for community debate on "organizational culture" as the region tries to find answers to lower costs through sharing and mergers.

Communities are different, he said. Some have strong neighborhood groups. Some have strong business districts. Some are heavily unionized and others less so. The decision-making process is different depending on the strengths and desires of interest groups, he said. The differences can stand in the way of agreement on sharing services.

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# Editors sound alarm about two-party system in state

St. Cloud Times said (Nov. 6) “When nearly a quarter of a state’s voters reject traditional party presidential candidates in favor of an independent, party leaders should take note. When one party dominates government as strongly as the DFL does, all Minnesotans should be alarmed.” St. Paul Pioneer Press said (Nov. 8) that the “dis-mal showing” of the Independent-Republican party in 1992 legislative elections “indicates just how out of touch and uncompetitive the party has become.” Mankato Free Press agreed (Nov. 15): “The Republican party, at the national level and especially in Minnesota, has become ineffectual, a non-party.”

Star-Tribune said (Nov. 27) that, despite improved forecasts, the state’s approaching “fiscal storm...still packs a mighty wallop.” Hibbing Daily Tribune said (Nov. 25) that “balancing the budget can and should be done without any state tax increases.” Bemidji Pioneer said (Nov. 29) that “While the state’s latest revenue forecast shows reason for optimism, it also shows the state needs to set firm

## On Balance

*“More important than winning the election, is governing the nation. That is the test of a political party—the acid, final test.—A. Stevenson*

priorities to ensure a balanced budget for the next biennium.” “Minnesota doesn’t need any more gambling—legal or illegal,” according to West Central Tribune (Nov. 30). Similarly, Hibbing Daily Tribune said (Nov. 29) a proposal to allow video gaming machines in bars and restaurants “is a bad idea, and it should be opposed strongly.” Marshall Independent agreed (Dec. 1), but noted that the jobs created by tribal casinos “help not only the Indian community, but the nearby community as well.”

Duluth News-Tribune approved (Nov. 9) of the tentative agreement between the state and the Mille Lacs band of Chippewa by which the tribe forgoes hunting and fishing rights in exchange for a cash payment and a grant of public land. However, the agreement is “unlikely to work as a permanent solution,” because it

allows the tribe to exercise some fishing rights on Mille Lacs and other lakes and rivers. “This will arouse so much anger among anglers that it will be hard to reach a political settlement of the issue” and may lead to legislative proposals to end the Indian monopoly on casino gambling in the state.

Duluth News-Tribune hoped (Nov. 23) that “the union concessions and the KLM loan will allow Northwest to survive its current financial problems and let it become a big player in the Northland economy in the near future.” Hibbing Daily Tribune was confident (Nov. 22) the Airbus maintenance bases will still be built, for several reasons: “Northwest said they would do it...they still need the bases...Rep. James Oberstar is watching Northwest’s progress like a hawk...(and) the deal was a good one for Northwest.” Pioneer Press said (Nov. 30) that

“Despite the cloud over Northwest, Minnesotans can still appreciate the shrewd and capable piloting of this burdened airline...Worthy of admiration too, is the realism and cooperative spirit of Northwest’s unions and the willingness of its bankers and partners to take further risks.” Free Press cautioned (Nov. 23) that “Northwest still has a lot to prove before the state OKs the hundreds of millions in bond sales to help finance the construction of two Airbus maintenance bases in northern Minnesota.”

Pioneer Press noted (Nov. 10) that “Public employees are increasingly being required to face the disagreeable realities of tougher times...We cannot bring ourselves to disapprove of city officials bargaining (with police unions) with vigor on the taxpayers’s behalf.” St. Cloud Times commended (Nov. 24) the administration of the state university system for suggesting that employees’ pay raises be held significantly lower than the rate of inflation. “But putting the lid on public employee pay is like other budget trimming—easy to discuss in theory than to apply.

# Central city issues need strong Met Council hand

Excerpts from interviews with Minneapolis Planning Director Oliver Byrum, St. Paul Principal Planner Allen Lovejoy and Rep. Myron Orfield (DFL-Minneapolis).

Byrum: We need to recognize that...the socio-economic situation of the inner cities is fundamentally a metropolitan issue that needs to be dealt with at the metropolitan level if we are going to be a strong economy...

Dealing with the things the Metropolitan Council has attempted to deal with is important...It should deal with those even better than it has. We can’t afford to lay on the cost of our products an unneeded second freeway ring, a bunch of unneeded public expenditures due to sprawl, or the social costs of an unsuccessful inner city...

The legislation (creating the Council) says it is charged with the orderly and economic devel-

opment of the metropolitan area. I can’t for the life of me figure out how it is that...separation between housing and jobs is orderly, that concentrations of people who are disconnected from metropolitan opportunity is orderly, that the high dropout rates in the inner cities and certain other areas is orderly and economic development...Nor can I see how the stuff that’s going on in the fringe areas is orderly. And they’re connected.

Lovejoy: When the Council was set up...clearly the future physical development patterns were enormous issues. We were expanding rapidly. We had an incomplete interstate highway system. We did not have a regional sewer system. We didn’t have a regional bus system. There was lots of infrastructure to be built...Unfortunately, the council has not shifted very much since...And our issues...are really quite different than they were...

There is great...economic segregation in this region that we are not talking about...There are poor disenfranchised people in this region who are angry and whose anger is not being dealt with as part of public debate but as incidents of crime sprinkled in with a few reports about the census.

(T)he way we get security and social gratification is through the development of community, however that takes place...And we believe that that’s the direction the Met Council, under their charge of the Land Planning Act, can move...

Orfield: I think the Metropolitan Council’s plans have become to follow the path of least resistance, unfortunately...In many ways the framework to do the right thing is there already. It’s a really majestic framework, a visionary series of principles...

(It got off the track) because of some of the leadership in both Democrat and Republican administrations. They just didn’t appoint people that cared that much about the goals of the Metropolitan Council...either didn’t care or it wasn’t a priority or (they) didn’t understand all the dynamics...

I think the staff people over time were not able to tell their chairs the bad news, and the members became parochial and interested in their own issues. And I think the core members lost track of the fact that expansion at the periphery—unhindered, uncontrolled—wasn’t in their interests...

I think it should be elected...That would energize it...and I think get out of the parochialism and the dependency on local government officials and legislators and everybody else.

# Council

Continued from page 1

deal with the socio-economic conditions of the metropolitan

●The Metropolitan Council’s 1992 State of the Region session last month was entitled “Trouble at the Core.” New Council Chair Dottie Rietow told the gathering that poverty—deepening and concentrating—is “the single most important problem facing” the region’s fully developed area.

●St. Paul Principal Planner Allen Lovejoy talks about a “spiritual brokenness” in society and says the Council should strive for “development of true community.” Minneapolis Planning Director Oliver Byrum says “orderly and economic development” should include linking jobs with people who need them through housing programs and/or transportation systems.

●State Rep. Myron Orfield (DFL-Minneapolis) said he will introduce legislation in the 1993 session to “reinvigorate” a pol- under which the Council and prod metro-area cities to accept a “fair share” of low- and moderate-income housing. He said a past Council policy—keyed to the distribution of federal funds—contributed to the construction of about 13,000 housing units. (See accompanying article on page 6.)

Under current law, the governor is obviously the Council’s most important constituent, if he wants to be. The governor appoints Council members and the chair. The dismissal last month of Chair Mary Anderson and replacement by Rietow underscored Carlson’s insistence upon a different kind of Council.

Twenty-one months ago, Carlson warned he would ask the 1993 Legislature to put the Council out of business if it did not begin to shape up within two years—or about three months from now, if anyone is counting. He said he wanted a Council that lays out a vision for the region, gets out on major issues and seeks efficiency in delivery of government services. “Metro 2015” was one result of his directive.

Four months ago, in a letter to

Anderson, Carlson said, the “single most important charge” of the Council today is “to swiftly create a new environment of cooperation” in service delivery among local governments. He expressed concern “about the Council’s willingness and ability to implement, in a timely fashion,” the changes it has under study.

In other words, he didn’t think the Council was moving fast enough. Exit Anderson, enter Rietow.

The Association of Metropolitan Municipalities (AMM) is another important constituent of the Council. AMM has as members 67 of the region’s 137 municipalities, with more than 90 percent of the population. The relationship between AMM and the Council is generally collegial, but AMM will always be wary about possible Council incursions into the territory of its members. And individual cities often wrestle with the Council on matters affecting their economic growth.

Nevertheless, an AMM Metropolitan Governance Task Force recommended more—not less—power for the Council, and the sort of power the Council has historically wielded. The task force complained the Council had become a mere enforcer of regulations and is enmeshed in details. It suggested the Council might want to propose new regional commissions on surface-water management, solid waste and housing.

It said the Council should have power to approve both capital and operating budgets of regional commissions and strengthen its oversight of them. And it proposed that the Council appoint all members and the chairs of the regional commissions. The AMM task force also urged direct election of Council members by district. It said an elected Council should elect its own chair from among its members.

William Barnhart, Minneapolis government relations representative who chaired the task force, said he had not intended to revive the direct-election issue. (AMM supported election in the 1970s but dropped the idea when it seemed unlikely to happen.) But, he added, “we kept coming back” to election as a “solution.”



The task force concluded that, even with its present powers, which include taxation, the Council should be elected. Giving the Council more power strengthens that case, Barnhart said. In addition, he said, election would make it clear that the constituency of the Council is the voters of the region—not the governor nor the Legislature.

Like Gov. Carlson, the AMM task force called upon the Council to think long-range and wide-screen. Unlike Gov. Carlson, it did not urge the Council to promote merger of services. The subject was not part of the group’s charge, Barnhart said.

The AMM’s 1993 legislative program urges the Legislature to provide financial incentives to cities to seek cooperative ventures, but it does not mention the Metropolitan Council in that regard. (See article on service sharing, page 1.)

In one of her last official acts as Council chair, Mary Anderson told AMM’s annual meeting that the Council agrees it should resist details and stick to the big regional issues, “is taking the lead in identifying opportunities” for service mergers and believes it should continue to be appointed because the system has served well and provides “adequate” accountability.

Rep. Orfield said the Council has become “a facilitator of growth, a tool of sprawling development,” rather than managing how growth should occur. He said the Council made 78 exceptions to the Metropolitan Urban Service Area (MUSA) in four years and added 18,000 acres of forest and farmland. MUSA is the part of the seven-county area in which the Council is prepared to approve “urban” services—principally sewers and transportation.

(Blaine Mayor Elwyn Tinklenberg, president of the North Metro Mayors Association, sounded a similar theme in

a letter to former Council Chair Anderson on “Metro 2015.” “No analysis of the private or public development patterns which have occurred in the metropolitan area over the last 25 years would conclude that it has been orderly, and we cannot afford another 25 years of it.”)

Moreover, Orfield said, a change in the law in 1987 required the entire metropolitan area to pay debt service to finance sewer-system extensions. Before that, the sub-regions where the systems were built bore that burden. He said it troubled him that the fully-developed portion of the region, “which is declining socio-economically, was financing a large share of the debt service” to serve an ever-widening MUSA. “It seemed like a dumb policy.”

A House committee last session passed his bill to make growing areas pay a “fair share” of sewer-capacity costs. But the bill was denied a Senate hearing. What he got instead was a law requiring the Council to study the cost-allocation system and make recommendations.

Orfield’s 1993 bill will be more far-reaching. Its centerpiece requires the Council to establish “fair-share” allocations of low- and moderate-income housing for communities and requires the State Department of Revenue to withhold local-government trust funds from cities the Council does not certify. It would prevent the Council from approving highway expansion in a city not meeting its allocation.

Orfield called it a “deregulatory action,” in that it would allow the marketplace to override “inefficient zoning” patterns of local governments and respond to the demand for low- and moderate-income housing in areas where there is high growth in low- and moderate-wage jobs.

Stephen Alnes retired as editor of the Minnesota Journal in 1991.



# Speaker's reorganizing shakes up House leaders

Some senior DFLers in the Minnesota House were surprised, to say the least—probably shocked is more accurate—last month when Speaker Dee Long reorganized committees and appointed new chairs. It was the most wrenching shakeup in years.

The Speaker showed enough imagination and flexibility in finding assignments for the 27 most senior members of the caucus to put some of the more talented but least senior members of this group in key positions and reach down one more level for a highly regarded new Tax Committee chair.

Long's most unusual move—reaching well beyond the confining seniority system to put Rep. Ann Rest (DFL-New Hope) in charge of Taxes—was among her best, many observers think. Rest is beginning only her fifth term; Long passed over many more senior members to give Rest the important assignment. As a subcommittee chair, Rest has shown herself willing to compromise, when appropriate, but also strong and shrewd enough to drive hard bargains at other times.—*Pete Vanderpoel.*

Minnesota's manufacturing employment grew by about eight percent during the last decade, compared to the national average of three percent. Significantly, most of this growth came in the form of non-production workers—the people who work for manufacturers, but perform administrative, clerical, technical or research functions. These jobs grew at three times the rate of production jobs and are especially common within the most rapidly growing kinds of manufacturing. Of 29,000 new manufacturing jobs, 22,000 were non-production workers.

What does this mean for Minnesota? Perhaps that our state's manufacturing jobs are more mobile than ever. It might also mean we need to rethink our development strategies for manufacturing, including the types of jobs we seek and the policies important to their growth.—*Bill Blazar.*

Implementation of managed health care for about 20,000 public assistance recipients in Ramsey County has been de-

## Take Note

*Direct, current public affairs tidbits that can produce a shock.*

layed again and is now targeted for sometime in 1993. Three health maintenance organizations (HMOs) responded to the state's latest request for proposals and are now negotiating with the state Department of Human Services (DHS) and with providers.

The three HMOs are Blue Plus (operated by Blue Cross and Blue Shield of Minnesota), UCare (sponsored by the University of Minnesota Department of Family Practice) and NWNL Health Network.

One reason for the slow progress of the project: managers at DHS are busy with other things. They have been directed to plan for staff cutbacks of between 30 and 40 percent in 1993.—*Allan Baumgarten.*

Early fall enrollment in Minnesota's technical colleges was 45,434—up nearly 37 percent over 1988, according to the Higher Education Coordinating Board. Community college enrollment over the same period was up 13 percent; state universities were up six percent; and the University of Minnesota dropped 10 percent. Technical college enrollment now accounts for nearly 22 percent of all public post-secondary students, up from 17 percent in 1988.

But comparison across systems is tricky. The mix of full-time and part-time technical college enrollment has changed dramatically. In 1987, 91 percent of technical college students were enrolled full time. By 1991, full-time enrollment had dropped to 59 percent.

Three explanations offered for the surge in enrollment and the change in the mix: first, technical colleges now allow students to enroll in courses rather than programs; second, economic recession tends to drive people back for education and training; third, the four-year institutions have reduced undergraduate enrollment or raised standards, which may have pushed some students into the two-year systems.—*David Rodbourne.*

A recent decision by the Federal Communications Commission (FCC) may create new service options for Twin Cities telephone customers. The FCC now requires companies like US West to allow "competitive access providers" (CAPs) to have direct connections at US West's central offices.

In Minneapolis, Metro Fiber Systems is a CAP that offers downtown businesses in 18 buildings direct access to their interstate long-distance carriers, allowing them to bypass US West. Under the FCC order, MFS can co-locate its operations at US West central offices anywhere in the Twin Cities calling area, without having to construct major new facilities.—*A.B.*

You'll be hearing much wailing and gnashing of teeth about Minnesota's fiscal crisis next month. You'd be well-advised to disbelieve three of the major themes.

*Theme 1. Minnesota's financial situation is "bleak," the state faces a "severe" revenue shortage (\$769 million) for the two years starting July 1, 1993, and a tax increase is in order.* In truth, the state expects to take in \$1.3 billion more than during the current biennium, an increase of over nine percent.

The problem is that maintaining all current programs exactly as they are, together with inflation,

salary increases for teachers and other local employees and increased health-care costs for the elderly will cost about 15 percent more. Only if you think, given the current economy, a 15 percent increase is even close to reasonable can you believe in a revenue shortfall.

*Theme 2. In order to solve our built-in budget problems, we need to get tough with state departments.* That's fine, but it won't do much for the budget. State agencies themselves represent less than 10 percent of state spending. So a five percent cut for them means a reduction of about half of one percent in the overall budget.

*Theme 3. The state must increase aid to schools and local government in order to protect homeowners from unjustifiably, unfairly high property taxes.* If legislators are really interested only in relieving property taxes for the low-income folks who truly deserve it, they could save millions by paying that relief directly to deserving taxpayers, based on their income.—*P.V.*

In addition to Minnesota Journal and Citizens League staff members, other contributors to "Take Note" this month include Bill Blazar, vice president of government affairs for the Minnesota Chamber of Commerce; David Rodbourne, issues advisor for Minnesota Public Radio; and Pete Vanderpoel, former director of communications for the Citizens League.

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# Citizens League Matters

December 15, 1992

News for Citizens League Members

## Welcome new members

Sharon Bailey-Bok, Michael J. Branungel, Roger Cammack, Thomas L. Chaffee, Ann Connor and Bill Crawford.

David Dillon, David H. Griffith, Katherine Griffith, Kay Hensgens, Loring Knoblauch, Janet Lekson and Dorothy Lekson.

H. James Leskee, Leanne Litfin, Robert Olsen, John Rohrman, Charles Siggerud, Jan Wiessner, and Betty M. Wilson.

## League members win election races

Five Citizens League members were newly elected to the legislature and county boards last month: **Ed Oliver** (IR), Senate District 43; **Steve Kelley** (DFL), House District 44A; Hennepin County Commissioners **Mike Opat** and **Emily Anne Staples** and Ramsey County Commissioner **Dick Wedell**.

Kelley joined the League in 1980. He served on the Board of Directors, chaired the Program committee, and worked on the Telecommunications and Obstacles to Seeking Election studies. "I have really benefited from the deliberations with the wide variety of citizen participants in League study committees. I hope the League continues to help the legislature with ideas based on strong citizen participation."

Staples, a member since 1958, was on the board and chaired the De-Institutionalization study

## New program strategy committee formed, prepares for new studies and 1993 session

The Community Information and Program Committees have been reorganized and combined. The new Program Strategy committee, chaired by Wendy McDowall and David Rodbourne, will recommend topics for League studies and coordinate efforts to implement study recommendations.

Combining the two committees will provide a more comprehensive approach to League studies from inception to roll-out. It will enhance opportunities to achieve

committee. "I hope the League will continue to provide a perspective on public policy for me that I can not find elsewhere."

Oliver joined in 1990 and served on the Metropolitan Library and Local Government studies. "One of my committee assignments is Metropolitan and Local Government. My recent Citizens League work provides great background for this committee."

Wedell joined the League in 1991 and has presented to study committees. "The League gives me the opportunity to pull together successful ideas from various levels - corporate/government/non-profit - to create better solutions to today's and tomorrow's problems."

Opat joined the League in 1989. "I find the *Journal* and studies helpful in pushing beyond partisan stands."

League goals of membership growth, broadly-based outreach and communication.

The committee will meet in January to review and select one new study topic. The group will then scan emerging trends and issues and recommend new studies. Call the League if you'd like to meet to discuss topics.

An ad hoc group met this month to identify opportunities for League action in the 1993 legislative session. (See sidebar)

### League legislative network convenes in January

Here's good news for political junkies, serious-minded public policy persons and others who just like to keep up.

The Citizens League's legislative network will have its first meeting of the year on January 22, 1993. David Rodbourne will facilitate the group with the help of several knowledgeable government affairs types. Bill Blazar, Judy Cook, Sarah Janacek, Randy Morris, Wendy McDowall, Bob Renner and Wy Spano have volunteered to brief the group periodically, particularly on legislative action on issues of League interest.

The group will meet every other Friday at 7:30 for dutch treat breakfast at a St. Paul restaurant to be named. Meetings are open to all League members. Call the office for reservations.

### '93 legislative goals set

The Citizens League will advocate these positions during the 1993 session of the Minnesota Legislature:

- *Improve* the value of public services while addressing the state's revenue shortfall, based on ideas of our state spending study committee.
- *Reform* election and campaign finance laws based on our recent study of barriers to seeking office.
- *Improve* laws enabling the creation of charter schools.
- *Monitor* proposals to build new transit facilities and to reorganize planning and decision-making for metro-area transit.

The League is studying property tax reform proposals and might endorse bills offered by other associations. The League will also monitor proposals to implement the Minnesota Care (Health Right) law, particularly its provisions on cost containment.

### New Mind-Opener Series in January

**Topic: Health Costs, Competition and Collaboration**

Watch your mail for details



## New forms of citizen engagement: A new strategic direction for the Citizens League

*This is the last of eight articles about the history of the Citizens League. Call the League office if you'd like a copy of the series.*

The Citizens League has influenced public policy since the 1950s. It has framed important issues, involved citizens in policy study, developed innovative public policy ideas and worked to carry out these ideas.

But in 1992, as the League struggled with several recent challenges - a leadership change, expiration of funding for the *Journal*, uncertain corporate contributions and a changing, more crowded public policy environment - it became clear that the League needed to evaluate its niche in the public affairs arena.

Under the leadership of new executive director Lyle Wray and president Becky Malkerson, the League's board adopted a revised mission statement and a strategic direction for the 1990s in July 1992. The new mission:

*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 new strategic direction of the League continues to focus on citizen involvement in innovative public policy. But it recognizes that new realities require new strategies. It begins a journey of finding new, flexible and more effective ways of carrying out the League's mission.

The new strategy links a greater use of face to face meetings of citizens and electronic technology with the League's traditional efforts to produce change through public policy study and recommendations.

The League's strategic plan identifies five areas of program focus: the Minnesota Agenda study committees, Mind-Opener breakfasts, the *Minnesota Journal*, Speak Ups! (informal discussion meetings) and Citizens League On-Line, a public affairs bulletin board. The League has now integrated all five program areas in the State Spending study.

The League is also co-sponsoring Speak Ups! with corporate members and community groups such as the Urban Coalition.

Working with Metronet, the League started Citizens League On-Line, a public affairs bulletin board. With a modem and personal computer, users can easily connect with this service. They can exchange messages with other users and read about League studies and activities.

Call the League office for information on how to sign on to Citizens League On-Line.

## Jody Hauer joins Auditor's staff League hires two new researchers

Jody Hauer, a Citizens League research associate since 1984, left last month to join the staff of the State Auditor's Office. Hauer was named research director in the Research and Government Information Division of the Auditor's office.

Hauer was associate editor of the *Minnesota Journal* and staffed numerous League study committees. Her work in the area of tax and fiscal policy analysis, including the annual property tax and fiscal disparities studies, was highly regarded by experts in the field. Looking back, Hauer most appreciates "having the opportunity to meet and work with a wonderful group of people over the years."

Hauer staffed the Community Information Committee for several years and prepared the League's reports on the airport, transit, charter schools and state-local finance.

The League has hired Janet Dudrow and Marilou Fallis as research associates. Dudrow has been a consultant to nonprofits and foundations since 1988. Before that, she was Social Policy and Programs Officer at Norwest Bank Minneapolis and Grants Administrator for the Norwest Foundation.

Dudrow is no stranger to the Citizens League. She served on two League study committees and produced annual reports and meetings. She is working on the state spending study.

Dudrow has a B.A. in Journalism from the University of Minnesota and is working on an M.A. at the University's Humphrey Institute of Public Affairs.



Janet Dudrow (l) and Marilou Fallis are new research associates on the League staff.

Marilou Fallis was born in the midwest, "ran to the east and returned for sanity." She has a B.S./Honors in sociology from the University of Iowa, an M.A. in Public Policy from the University of Chicago and 10 years experience analyzing job training and human service programs.

Her 20 years of volunteer work give Fallis a sense of reality in understanding policy issues that sound so good to legislators but are implementation timebombs. In 1985-92, she was a research associate with the National Association of Counties, Washington, D.C. Her husband, Dale Stofer, and cats Shadow and Moon are enjoying the quiet and clean air of the Twin Cities.

## Speak-Ups! and bulletin board launched

In mid-November, 80 League members participated in a new round of Speak-Ups! on issues of Minnesota's budget. Members of the State Spending Study committee briefed participants on the state's financial condition and key forces affecting revenues and spending. Participants discussed their perspectives on state finances and their expectations for government.

A second round of meetings is planned for February, when the participants will respond to the recommendations that the study committee is considering.

### CL and Hamline offer local service forum

The Citizens League, Hamline University Graduate School and Association of Metropolitan Municipalities will co-sponsor a seminar on Friday morning, January 15, 1993, on local government service issues. The forum will spotlight several recent studies and initiatives in service design and structure, including the League's report, *Results for Citizens, Options for Officials*.

For more information, call the Hamline Graduate School at 641-2284.