



JOURNAL

A Public Policy Monthly from the Citizens League

A look at the Citizens League's policy projects for 2008

by Citizens League Staff

Taxes, taxes, and more taxes

The Citizens League has a long history of providing good information on homeowner property taxes and analysis of a variety of fiscal issues. This analysis is important because how taxes are raised and spent has a direct relationship to the common good.

Since 2003, the Citizens League has worked to expand the amount of information we provide on property taxes and to make it more comprehensive and relevant. During that time, staff and members have offered a number of thoughts about other work we could do to give people a better understanding of the choices they have and the impact of those choices.

As a result, during 2007 three new elements provided a major emphasis to our work:

- We provided school referenda data as a part of the the Minnesota Anniversary Project (MAP 150). We asked voters what they wanted to know about school spending and school taxes and then provided the important pieces of data in an easy to use online format. To see the data, go to www.propertytaxfacts.mn.
- We changed the way we report property taxes in our annual report. Now we group communities in similar clusters making it easier to compare property taxes. We can stop asking the question, "Why are taxes higher in Minneapolis than West Lakeland Township?" and focus more on the different choices made by communities with similar profiles.
- We provided special assessment data for all the cities and towns in our homeowner property tax review, so that people can start to get a feel for the other ways

that their local officials raise revenue and how that compares with similar communities.

As with the annual fiscal disparities and tax increment financing work, we are always striving to provide better information to our members and the public, information

that can ultimately translate into better public decision-making about taxes and spending.

Our 2008 tax policy agenda

Although most of our efforts on taxes are currently aimed at providing better information, there are two policy initiatives that we feel should be implemented by the

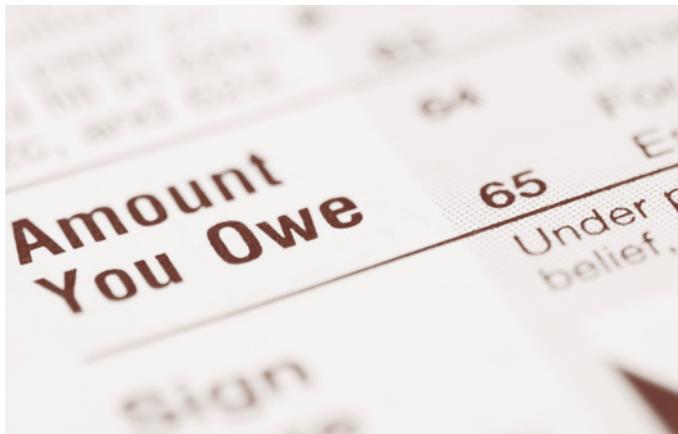
Legislature and the governor in 2008.

Property tax relief should be provided more directly to homeowners based on ability to pay.

Last year, at the request of the Citizens League, Sen. Ann Rest (DFL-New Hope) and Rep. Laura Brod (R-New Prague) submitted companion bills in the state House and Senate to eliminate the cap on the homeowner property tax refund (PTR) program. The final omnibus tax bill included a significant expansion in the PTR program, but the governor vetoed the bill for other reasons. In his veto message, Gov. Pawlenty noted that direct tax relief to homeowners is something that he strongly supports.

Municipalities should report property tax abatement data.

This is about getting good information for taxpayers. Since a 1997 law allowed more use of property tax abatement there has been a significant and growing hole in the data we gather and provide in our annual tax increment financing survey. Without data on



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CONNECTIONS

Building a League of Citizens



Policy Happens Here

Thank you for everyone to make our 2007 Annual Meeting a big success!

Just under 400 people attended the event, and over 50 new members joined that night.

For more pictures, and to see the results of the legislative redistricting polling done at the meeting, go to the Citizens League website and click on "events"



New members, recruiters, and volunteers

New and rejoining members

Grant Abbott
Jim Anderson
Niger Arevalo
Ulises Ayala-Beltran
Kay Baker
Maureen Ball
Chris Berger
Judy Berglund
Melody Bialke
Karen Louise Boothe
Maria Bruun
Brian Buford
Matt Burdick
Cristine Daley
Marco Davila
Mike Dean
Marigrace and Joseph Deters
Kathleen Doran-Norton
Linda Feist
Sandy Finn
Abe Garcia and Griselda Lopez
Sylvia Gonzalez-Castro

Peter Hawthorne
Dan Hoxworth
Melissa Jabas
Steve Jepsen
Kelsey Johnson
Jeannine Kessler
Susan Kimberly
John Larson
Abdi Mahamed
David McCarthy
Tim McDonald
Renee McGivern
Juventino Meza
Dan Miller
James and Joanne Mock
Nicole Moen
Matthew Mohning
Vivian Jenkins Nelson
Patrick Ness
Martha Ockenfels-Martinez
Britta and Christopher Orr
Richard Orr
Linea Palmisano
Andrea Pasiuk

Ericca Richter-Maas
Simon Riordan and April McHugh
Khusaba Seka
Ann Walker Smalley
Matthew Stemwedel
Albert and Diane Swintek
Paul Verrette
Kevin Walli
Rahma Warsame
Diane Wesman
Mark White
John and Becky Wood

Firms and organizations

Best Buy Co. Inc.
Blandin Foundation
Capitol Connections
Center for Politics and Governance, University of Minnesota
City of Woodbury
Cogent Consulting, Inc.
Comcast
Ecumen

Fruth Jamison & Elsass PA
Greater Minneapolis Metro Housing Corp.
HealthPartners
Idealogics
Lockridge Grindal Nauen PLLP
Marshall and Ilsely Bank
St. Jude Medical Foundation
Target
U.S. Bancorp
UCare Minnesota
Volunteers of America
The Whitney Foundation

Recruiters

Lee Anderson
James E. Dorsey
Nate Garvis
John Larson

Volunteers

Pam Carter
Janna Caywood
Cal Clark
Renee McGivern



Policy pride and prejudice in Minnesota

New transportation solutions from a new (civic) policy model

by Sean Kershaw

Our current transportation dilemma, the result of the 35W bridge collapse in August, is testing Minnesota's policy pride. But with adversity comes opportunity—and right now Minnesotans have an excellent opportunity to prove we still have our innovative edge when it comes to public policy. But first we'll have to dispel some of our long-standing prejudices about the way we make policy, and create some new models that can help us make better policy now and in the future.

This is an opportunity for Citizens League: by creating a "civic policy agenda" on a critical issue like transportation we can define what we mean when we say "policy happens here" and implement better and more sustainable policy strategies on the issues we care about most.

Pride

Part of our fundamental story as Minnesotans is a strong desire to be the best. We don't brag about it, but we want to be the most innovative and the most entrepreneurial state in the country when it comes to public policy. That's why the bridge collapse and its aftermath of finger pointing and bad politics struck a blow to our collective policy pride.

But wanting to be the best doesn't mean we know *how* to be the best. As our Minnesota Anniversary Project (MAP 150) has demonstrated, our old ways of solving policy problems and engaging citizens in better solutions are no longer always sufficient. Our current transportation dilemma is just one example.

Prejudice

Part of the problem stems from some long-standing policy prejudices that are hard to shake. For example, we are taught to see transportation and other policy issues as problems to be fixed with big, one-time solutions by the Legislature and governor. Our role as citizens in this model is essentially to complain and then wait for someone else to solve the problem. And although the government deserves blame for questionable

So how can we expect citizens to become policy-makers if we keep the costs and benefits of their decisions hidden from them?

management practices now, and insufficient funding strategies for more than a decade, we can't get to where we need to be in the future using our current policy model. Citizens want and deserve a better solution—and a bigger role in the policy process.

Civic policy making

An essential part of any new model requires that we all share responsibility for solving our transportation problems, that includes *all* of our institutions, government, employers, families, and the roles that all citizens play in these institutions.

Being a policy-maker involves wrestling with the costs and benefits of our decisions—finding the best common good solution that improves Minnesota's economic success and quality of life.

One of the problems plaguing our state's transportation policy is that we have kept the costs and benefits of our transportation decisions—our impact on the common good—largely hidden. We often base our transportation decisions on whether it's "free" to drive or park, without factoring in all of the hidden costs: lost time and productivity due to traffic congestion, increased health costs from air pollution, and additional vehicle crashes. And we hide the sources of revenue that pay for our "free" transportation system as well. For example, most people don't realize that property taxes pay for nearly one-third of our state's road spending (about \$1 billion per year for local roads).

So how can we expect citizens to become policy-makers if we keep the costs and benefits of their decisions hidden from them?

In order to create a system that can serve a million more residents in the next 15 years we've got to become more efficient in our use of resources. And we need to give citizens the opportunity to become better policy-makers. If we attach more of the costs of transportation directly to our choices we're likely to come up with better, more efficient choices and use the resources we have more wisely.

A new civic agenda

Perhaps what's most important is that by creating a civic policy agenda we can flip our current policy model on its head and move away from big hierarchical one-time policy solutions that don't really work well any anymore, and toward a model based on the decisions we as citizens make everyday. Do I take I-94 from my house to Target, or do I take Hamline? Do I make three round-trips to Minneapolis in a work day, or change my schedule so I only make one or two. As an employer, do I pay for parking and bus passes—and do I allow employees to have flexible schedules?

If we want citizens and institutions to participate in making transportation policy we need to make the true costs of our driving decisions clearer. The decisions citizens make about where and how to drive or ride and where to live and work, and the decisions big companies make about flexible work schedules and telecommuting, matter as much as many of the decisions made by the Legislature.

This civic approach to policy-making is practical. We believe it is the only way to efficiently and sustainably address our transportation dilemmas. It is also good for our Minnesota democracy. Every time we exercise this civic decision-making authority we become better citizens. ●

Sean Kershaw is the Executive Director of the Citizens League. He can be reached at skershaw@citizensleague.org. You can comment on this Viewpoint at: www.citizensleague.org/blogs/sean.

property tax abatement, taxpayers are only getting part of the picture of how property tax subsidies are used. We will pursue legislation on these measures in 2008. But we also realize that it may be time again for the Citizens League to re-examine the larger policies around taxes and spending that we

- What major principles should apply to all water policies?
- What types of institutions can best address emerging water issues?
- How can citizens become more meaningfully involved in the development and implementation of water policy?

will analyze and document the evolution of state and federal anti-poverty programs; identify which programs are within Minnesota's purview to change; review interdependency and coordination between programs; examine the impact of the 1996 federal welfare reform; and partner with the Minnesota Taxpayers Association to gather data on the overall impact increased income has on the marginal tax rate.

Water policies are generally created in reaction to emerging problems, and most of the key policies that govern our water use are 20 to 30 years old.

Phase II The Citizens League will facilitate workshops throughout the state and then use the information gathered at those workshops to develop goals and parameters for a sensible and effective public policy aimed at reducing poverty in Minnesota.

have periodically weighed in on over the past 55 years.

Through the MAP 150 Property Tax Facts project (www.propertytaxfacts.mn), which we've initiated in partnership with the League of Minnesota Cities and with Morrison, Ramsey and Washington counties, we'll be working to find out how much citizens know and what more they want to know about taxes and spending. From there, we'll continue to explore ways we can create better public decisions around taxes and spending.

- What are the appropriate responsibilities for state, county, and local government, and how do they support one another?

To reduce poverty, begin at the beginning

The current "system" of using cash, vouchers, subsidies and tax credits aimed at reducing poverty in Minnesota is actually many separate systems that are often disconnected in terms of funding and administration. At times these systems work against each other, hampering rather than assisting those in poverty.

A 1977 Citizens League report, "A Better Way to Help the Poor," identified lack of knowledge as to how the system functions

Phase III Building on findings and conclusions from the first two phases, the Citizens League will convene a study committee to develop recommendations to reduce poverty in Minnesota.

Empowering older Minnesotans

In 2004, Minnesota became one of the first states to adopt "cash and counseling," a program that allows Medicaid-qualified seniors to use Medicaid dollars for services that help them remain at home. While the program can help many seniors stay out of higher-cost institutional care, only about 200 of an estimated 11,000 eligible seniors in Minnesota use that program today.

Water, water everywhere, how much is fit to drink?

Most Minnesotans associate our state with clean, plentiful water and consider it an important economic resource. Yet there is no statewide, strategic approach to water policy in Minnesota. Water policies are generally created as a reaction to emerging problems, and most of the key policies that govern our water use are 20 to 30 years old. Exurban growth has more than doubled the number of shoreline houses and there is a widespread sense that the quality of lake environments is in decline. Population growth, along with increased development and energy production, are stressing groundwater resources. Additionally, implementation of new regulations mandated by the Federal Clean Water Act regarding impaired waters and urban storm water require a major rethinking of old approaches.

The Citizens League will convene a study committee to explore questions like these:

- What are the demands for water in Minnesota and how are they changing?

overall as a major obstacle to its reform. That lack of understanding is still a barrier to reform today. We need to begin anew, with fresh assumptions and a new approach so, that we can address the real problems of income assistance with systemic solutions.

During the next year—and contingent on funding—the Citizens League will initiate a three-phase project to address poverty in Minnesota:

Phase I Members of a new study committee



In 2008 the Citizens League will host a policy design workshop to address the following questions:

- How can we increase the use of tools like the “cash and counseling” program, and how can they be more understandable to more Minnesotans?

- How can these tools help nursing homes or assisted-living communities share their knowledge and experience with other long-term care providers?

- How can long-term care providers incorporate new tools to enhance independence and care?

- How can Minnesota use these tools to move from a “dependence” culture for the elderly to a culture of empowerment?

Following the workshop, the Citizens League plans to vet possible solutions using an online process, and then refine and finalize policy recommendations through a Citizens League committee process. ●

MAP 150

Minnesota Anniversary Project



Students Speak Out

Over the summer, students and adults engaged in a lively online debate about the state of our schools

by Victoria Ford

In May 2007, the Citizens League launched a youth civic engagement website, Students Speak Out. Designed to gather student input about declining enrollment and school closings in Minneapolis, the site featured lively web forums and interactive polls. Participants included students from district and charter schools in Minneapolis and a wide variety of adults.

One of the programs on the site, Students Take a Turn, connected a diverse panel of students age 14 to 18 with education policymakers, including a Minneapolis school board member and a state representative from Farmington. Each week, an adult posed a question online and the students responded with their reflections and ideas.

Adults used what the students told them to inform and guide their work. Topics included technology in schools, standards and testing, and respect and discipline in the classroom.

The students who participated over the summer were eager to do more. While they enjoyed talking with the adults (and each other) about the serious challenges that our schools face, they wanted to go beyond just talking about issues to make real change.

Over the next several months, the Citizens League will work with two groups of students, one from Minneapolis and one made up of students from alternative schools across the state, to identify an educational issue that is important to them and then to develop solutions that the

students and the Citizens League can work to put in place.

Our goals are simple but revolutionary:

- Effectively involve students in the education debate in Minnesota.
- Demonstrate that students provide credible and important perspectives on education policy issues.
- Show how including students in the process of making education policy results in better policy and better outcomes.

To learn more about Students Speak Out and how you can become involved, go to www.StudentsSpeakOut.org. ●

Victoria Ford is Policy Manager at the Citizens League.

“I am tired of people relying on only statistics and figures to make decisions and not looking at the real state of our schools. If you want to change something about our schools you should at least come and be exposed and experienced with what you are changing...Statistics and figures only say part of the story. The “average” student I have yet to meet. Please come and see it from our eyes and be part of the effects of your decisions.”

—Brett, Grade 9, Avalon Charter School
on www.StudentsSpeakOut.org



A non-taxing discussion about property taxes

Taxpayers want just the facts, and more of them, when it comes to property taxes

by Stacy Becker

What do Minnesotans really want to know about their property taxes? In 2006 the Citizens League conducted a statewide poll to find out. Eighty-one percent of those polled told us that they would feel better about paying taxes if they had a clearer understanding of how the money is spent. So in partnership with the League of Minnesota Cities, we set out to address that issue.

Along the way we met skeptics. Some people didn't believe that taxpayers really want to know more. Others felt that citizens need to be spoon-fed information—that

- When presented with the information they ask for, taxpayers quickly grasp the basic drivers of the property tax system.
- Taxpayers want information that gives them context: trends, revenues and expenditures, comparisons, and adjustments for inflation and population.
- Taxpayers are looking for more predictability in the tax system. Constant changes in their tax levies lead to considerable mistrust.

Property taxes for schools was a central theme of the discussion in each county. People care very much about education in

I have spent many countless hours trying to find certain things and your site answered many questions in about 3 minutes! Thank you. Thank you. Thank you.

they are incapable of drawing reasonable conclusions from data alone. We also found some local officials who have been grappling with this problem for some time, but despite their best efforts, they felt unsuccessful at effectively explaining property taxes.

So we turned the question around. Instead of asking the conventional question, "How do we explain to taxpayers what they need to know?" we asked "What do taxpayers want to know?" And it turns out that if you ask the question differently, you get some different answers, and more importantly, a completely different discussion.

We sat down with taxpayers drawn from random pools in Washington, Ramsey, and Morrison counties. Each group met three times to discuss what they understood about property taxes, what they wanted to know, in what format they preferred to get information, and their most trusted sources of information. Here's what we learned:

their community, but they don't feel that they are receiving good information about property taxes. Instead, they feel they are marketed to from both sides and no one gives them the facts. As a follow-up to test what we heard in the focus groups, we created a simple website with very basic information on the 99 school districts with operating levies on the ballot on in November.

The attention, use, and response to the site were astonishing and suggested that people are in fact hungry for solid, credible information. The site, launched just one week prior to the election, received 5,500 visits. Newspapers, radio, and television stations around the state either linked to the site or directed people to it. More than 160 people responded to a short survey on the helpfulness of the data (see box). Slightly more than half of those respondents felt that the information would either influence their vote or might influence

Did this influence your vote?

	Total	Yes	No	Maybe
Learned a lot	43	18	14	9
Learned some	95	20	37	38
Learned little or none	26	1	24	1
	164	39	75	48

(numbers don't add up because not everyone answered all questions)

their vote. That was an especially surprising result given the assumption that a least some portion of the "no influence" responses were due to the fact the data supported people's prior inclinations on how to vote.

Many people offered great suggestions on how to improve the information. And comments like this one were enormously rewarding: "The data you provide is absolutely wonderful! Thank you very much. I have spent many countless hours trying to find certain things and your site answered many questions in about 3 minutes! Thank you. Thank you. Thank you."

You can learn more or participate in the discussion on property taxes at www.propertytaxfacts.mn

Stacy Becker is a Citizens League member and the Project Director for MAP 150.





Coming soon: CitiZing!

An online space for Minnesotans to gather to create the common good

by Erin Sapp

One of the goals of the Minnesota Anniversary Project (MAP 150) is to improve Minnesota's problem-solving capacity by developing new tools and processes that place citizens more fully in the role of "co-producers" of the public good. MAP 150 seeks to harness "the wisdom of crowds" in the public arena—processes virtually nonexistent in the public sector.

That's why, at the heart of the MAP 150 principles and demonstration projects, we're creating an exciting new opportunity for civic problem solving: CitiZing!—the first ever online civic-networking platform. CitiZing! will provide a public space for individuals and institutions to come together online to explore and act on issues of mutual interest in thoughtful and objective terms. Like an umbrella for our other work, CitiZing! will create an entirely new place and process for collective problem solving for our other demonstration projects, and for everyone in Minnesota.

As people increasingly socialize, shop, and interact online the private sector has found new ways to take advantage of and flourish in this virtual world. Market researchers, businesses, and service providers have used the Internet for years to disseminate information, gather feedback, and distribute products and services.

The public sector is another story. Traditional processes of civic engagement have been predicated on feedback rather than joint problem solving, and those processes have changed little in the past 10 to 20 years.

The public and nonprofit sectors want to do "civic engagement" better, but they often don't know exactly what that means or how to get there. Few use the Internet as part of their civic engagement processes, saying the tools are either (or some combination of) baffling, too time intensive, blocked at their workplace, or simply unknown.

Yet a host of great tools exist on the web (surveys, polls, serious games, wikis, and forums to name a few), and most are inexpensive or free. And many



Minnesotans are already familiar with them. Approximately 70 percent of Minnesotans are online so the Internet offers a powerful avenue for reaching a

- provide several key ingredients missing from today's civic problem-solving arena: the opportunity to take action, transparency and the chance to learn from one another using fun and easy-to-use tools;
- offer users a direct way to get involved on the issues they care about and connect with others who have similar concerns.

CitiZing! is still in the early stages of development. Last summer, when we conducted market research around the need for, and feasibility of, CitiZing!, we found a big gap in the application of online tools in the public arena. By researching the available tools we have developed a better understanding of which of those tools can be easily incorporated and used effectively. An advisory team of Citizens League members is guiding the project as we build out and test this new, exciting, and innovative

Few in the public sector use the Internet as part of their civic engagement processes, saying the tools are either (or some combination of) baffling, too time intensive, blocked at their workplace, or simply unknown.

broad audience. Minnesotans want to be involved, too. Responding to a 2006 Citizens League statewide poll, 63 percent agreed that citizens should have a greater responsibility for solving public problems.

CitiZing! will provide a cost-effective, user-friendly platform that guides users through good public problem-solving practice. It will:

- combine the power of social networking with new and existing tools to create better decision-making processes;

platform. Look for more information and an opportunity to sign up and participate this spring. ●

Erin Sapp is a Citizens League member and Project Manager for the MAP150 project.



Competitiveness, compactness, or diversity

What values should Minnesota embrace during the redistricting process?

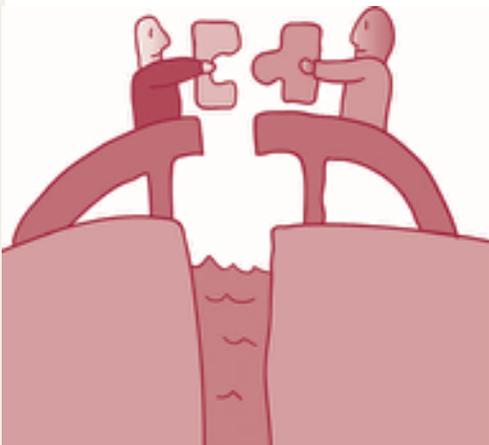
by Erin Sapp

Every 10 years, states re-draw political districts to reflect changes in population. Next time around, changes in our and other states' populations could result in Minnesota losing a congressional district (dropping from eight to seven), which would result in a major re-drawing of Minnesota's election districts. How these lines are drawn affects which candidates win and which lose and significantly impacts politics in Minnesota.

It's tough to build a lot of enthusiasm around the issue of redistricting, however. As part of our MAP 150 demonstration projects, the Citizen League has begun evaluating Minnesota's public participation in redistricting. Our primary goal is to move ideas and input from citizens into the formal policy discussion.

There are two aspects of redistricting that deserve exploration: process and outcomes. While many political activists argue Minnesota's redistricting process is broken, few have actually explored what outcomes Minnesotans want from redistricting,

Until we as citizens know what we want, however, it's impossible to figure out how best to get there. Over the next year, we hope get a better understanding of what Minnesotans want to achieve in the redistricting process. At the Citizens League annual meeting, members who participated in a presentation on redistricting reported redistricting "values" as the most interesting part of the issue.



Here are some examples of redistricting values:

Competitiveness. The opposite of "safe" districts, every vote counts when districts are competitive because seats could go to any major candidate.

Pros: Citizens have real choice and power in elections.

Cons: Representatives rarely serve long enough to obtain seniority because turnover is high, and voters are subject to intense campaigning.

Pros: Ensures representation of minority communities.

Cons: May segregate all minority voters into one district that can easily be over-ruled or ignored.

What priorities would you choose for Minnesota's districts? That's the question that MAP 150 will put to citizens around the state in a series of public meetings. Then we'll work backwards to figure out how to facilitate a process that reflects those values.

As part of our MAP 150 demonstration projects, the Citizen League has begun evaluating Minnesota's public participation in redistricting. Our primary goal is to move ideas and input from citizens into the formal policy discussion.

Compactness. Creating districts of similar size and shape to avoid playing into political considerations.

Pros: There is no hidden agenda when drawing compact districts.

Cons: Depending on the state's population distribution, this may favor one party or community heavily over another, and may result in the breakup logically joined communities.

Intact communities: Keeping "like" communities together by following logical boundaries.

Pros: Keeps "like" communities together so constituent interests throughout the districts are similar.

Cons: Like can be abused and interpreted to mean nearly any "community".

Minority representation: Lines are drawn to facilitate the election of representatives to advocate for racial or ethnic minority community interests, or to ensure substantial representation of these communities throughout many districts.

While the implications of redistricting are enormous, engaging the public at large in an issue that is procedural rather than substantive remains challenging—except at the Citizens League.

In a survey of members at the annual meeting, 51 percent reported becoming more interested in redistricting after hearing more about the issue, and a whopping 97 percent are interested in the topic.

In the coming months, we'll be calling on members to share their enthusiasm for redistricting and help to get the word out about the importance and impact of this issue and to ensure that Minnesotan's voices are heard by those drawing the lines. ●

Erin Sapp is a Citizens League member and Project Manager for the MAP 150 project.

CURRENT POLICY

Study committees and policy implementation



Immigration and higher education

Improving immigrant students access to higher education

by Victoria Ford

In the summer of 2006 the Citizens League, in partnership with the MACC Alliance of Connected Communities, launched the first of two study committees charged with the task of finding ways to increase the number of immigrant students in Minnesota who go on to higher education.

The initial study committee gathered information about immigrant students' educational experiences in Minnesota and used that information to frame what the committee identified as four key barriers to their success in higher education. The second study committee is now in the process of developing recommendations to address those barriers.

When the committee began this project, members assumed that collecting information about immigrant students would be a relatively simple. Immigrant students soon learned that most school districts do not record whether students are immigrants, so there is no reliable data on how immigrant students perform in comparison with non-immigrant students. So, instead of relying on data, the committee conducted a series of focus groups with immigrant students, parents, and other community members in the Twin Cities, Fairbault, and Worthington.

Using information gathered in those focus groups, committee meeting discussions, and through additional research, the committee identified four key barriers to immigrant students' readiness for and success in higher education: information, culture, cost, and preparation.

This past summer, the second study committee (which includes several members of the original study committee) set out to answer the questions posed by the first study committee:

- Information:** How are information and services about K-12 and higher education best delivered to immigrant students and their families?
- Culture:** How can educational institutions and individual educators learn to adapt to the changing cultural makeup of their student populations?
- Cost:** What do immigrant families need to overcome the financial challenges related to higher education?
- Preparation:** What is the best way to prepare immigrant students with the English skills needed at the college level?

The committee used a variety of methods to come up with preliminary recommendations in answer to these questions. Committee members split into four working groups; each group focused on one of the four key questions. The groups heard testimony from experts, interviewed students and parents, gathered information about what is happening in Minnesota's school districts, and debated about the best way to address the question before them. In addition, a group of college-age immigrants came together for a half-day meeting to review the committee's work and add their ideas about how to increase access to higher education.

Immigrants in Minnesota:

- In 2004, immigrants made up approximately 6 percent of Minnesota's population. In some cities and towns, that number is much higher. For example, 15.6 percent of Worthington's population is foreign born.
- Almost half of the students enrolled in English Language Learner classes across the country are born in the United States, and approximately 60 percent of foreign born students are not English Language Learners.

Through a partnership with Marnita's Table, the committee hosted "dinner and dialogue" events in seven Minnesota communities: Brooklyn Park, Duluth, Lakeville, Mankato, Minneapolis, Saint Cloud, and Saint Paul. More than 200 immigrants and native-born Minnesotans participated.

Over the next several months the committee will refine and finalize its recommendations and seek input from Citizens League members, experts in education and immigration, advocates on all sides of the issue, and other interested citizens

Read the more about the study committees and comment on the preliminary recommendations at www.citizensleague.org. ●

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John DeSantis
Bright Dornblaser
Leo Espinoza
Meredith Fergus
Gary Jeter
Lily Moua
George Ogbonna
Traci Parmenter

Carl Phillips
Jasmine Shrestha
Stacia Smith
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Malcolm McLean
Matt Musel
Linea Palmisano
Suzanne Pearl
Stacia Smith
Amanda Ziebell-Finley



The road to the future

What we need to do to solve our transportation problems now and in the future

by Bob DeBoer

The 2008 legislative session could be a watershed year for transportation funding, and the Citizens League is working to make sure that Minnesota addresses some core issues that will help our state fund the Urban Partnership Agreement, implement free-flow pricing, and establish new funding mechanisms that create a sustainable transportation future.

The most fundamental principle in transportation funding that must be established more broadly is transparency. Users and beneficiaries of the transportation system need to pay more directly for use of—and investment in—the system. Most Minnesotans drive alone. Direct pricing of some of the hidden costs created by solo drivers (see below) is a fundamental part of creating a more integrated and sustainable transportation system. That is why free-flow pricing (often called congestion pricing) needs to be at the core of how we transform transportation funding and use. Otherwise we are ignoring most of the transportation “market”.

In Minnesota, we propose that solo drivers be able to choose to pay a fee for “free-flow” access to restricted lanes used by transit and carpoolers. By doing so we can reduce the hidden costs of congestion.

•**Health costs of air pollution:** Among the major hidden costs of road congestion are the health costs incurred from increases

in asthma and other lung-related conditions that are specifically attributable to increased air pollution. Free-flow pricing not only allows a solo driver to buy free flow, but also reduces air pollution costs by reducing congestion.

- Wasted time and reduced productivity:** Time wasted isn’t good for families or businesses. Many businesses depend on the movement of goods and services for their success. Wasted time is literally money down the drain.
- Additional vehicle crashes:** In addition to time lost, traffic congestion increases accidents, which increase costs: higher car insurance premiums, additional time lost, and expenses not covered by insurance.

Fund the Urban Partnership Agreement

Chosen by the federal government as one of five communities to receive an Urban Partnership Agreement (UPA) grant, Minnesota has a rare opportunity to jump start the integration of its transportation system through the use of free-flow pricing and increased transit options.

The federal government has offered Minnesota \$133 million in grant funding to implement cutting edge transportation initiatives. Most of the money will be used to build facilities for bus rapid transit on

I-35W from downtown Minneapolis to Burnsville. But as part of the agreement, Minnesota will also convert the existing “diamond” lane south of I-494 and a “dynamic” shoulder (a road shoulder fortified and converted into an extra lane of traffic) from downtown Minneapolis to I-494 into lanes that will be available free for carpoolers and to solo drivers at a cost during congested times. The state must raise \$50 million in matching funds before the end of the next legislative session to receive this federal money.

Establish a free-flow network to increase capacity and fund transit

To demonstrate the potential benefits of free-flow pricing, a single lane should be priced throughout the metro area highway system. Free-flow pricing should be incorporated in all corridors where transit is built or significantly improved. Excess revenues from free-flow pricing should be used to support transit and other choices that reduce congestion.

- When roadways are congested, free-flow pricing offers solo drivers the choice to pay a fee to use a “free-flow” lane shared by mass transit and carpoolers.
- Free-flow pricing uses supply and demand principles to get more capacity out of limited freeway space when it is congested.
- Free-flow pricing benefits everyone. The resulting reduction in congestion benefits those who choose to pay for free-flow and those who don’t.
- Free-flow pricing systemwide will result in more transportation choices for all and reduce the hidden costs of congestion by creating a more integrated system where users and beneficiaries pay costs more directly.

Establish funding mechanisms

Properties that increase in value due to transportation improvements should share the costs of paying for that transportation improvement through a mechanism called “value capture.” The state would essentially use tax increment financing (TIF) to capture the property tax revenues that result from the increase in market value due to a transportation improvement. The additional

Congestion, Pollution and Accident Costs by Sub-Region (1998 dollars)

Costs are annual per capita costs for 1998.

Rankings are out of 78 sub-regions in the 19-county metro area.

Sub-Region	Cong.	Rank	Poll.	Rank	Crash	Rank	Total	Rank
Minneapolis - South Lakes	\$290	48	\$857	2	\$777	1	\$1,924	2
St. Paul - Highland Park	\$281	49	\$747	4	\$653	5	\$1,681	4
Brooklyn Park East	\$482	1	\$245	35	\$517	8	\$1,244	10
Edina	\$372	17	\$422	17	\$407	20	\$1,201	14
Roseville	\$367	25	\$333	27	\$389	22	\$1,089	22
Bloomington West	\$371	19	\$344	25	\$341	28	\$1,056	25
Coon Rapids	\$369	21	\$421	18	\$248	43	\$1,038	27
Maple Grove	\$459	2	\$155	45	\$380	25	\$994	30
Burnsville	\$364	37	\$326	29	\$146	54	\$836	39
Eagan	\$365	32	\$253	33	\$182	49	\$800	43
Eden Prairie	\$374	13	\$158	44	\$229	44	\$761	45
Ham Lake/Andover	\$379	9	\$69	58	\$206	47	\$654	52
Wright County	\$241	66	\$16	66	\$81	62	\$338	68

Source: The Full Cost of Transportation in the Twin Cities Region (2000), University of Minnesota Transportation and Regional Growth Study

revenue would help pay for the rail, busway, or road improvements that produced the benefit.

These are direct ways for users and beneficiaries to help create a system with more choices. Research is beginning on the benefit of the Hiawatha LRT to adjacent properties and the preliminary results show solid value increase due to the LRT.

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For example, value capture could be used to help extend the Northstar commuter rail from Big Lake to St. Cloud. Solo drivers could be offered a choice to pay for free flow on Interstate 94 and the state could use value captured from the properties near stations along the Northstar line to bring that extension closer to reality.

These and a few other revenue sources should be fully explored before we look at how much general revenue (from sources such as the sales tax) we need to fund our transportation system. It is clear, however, that a large revenue source—such as sales tax increase—will be necessary to pay for the transit infrastructure that is needed to accompany a metrowide network of free-flow pricing.

The Urban Partnership Agreement (UPA) is a rare opportunity for Minnesota to

begin a demonstration project that could become a new transportation model for the country. Most places in the world that have implemented some type of road pricing are not particularly good models for many U.S. cities. For example, putting a cordon around a downtown area in London, Stockholm, or maybe Manhattan isn't a strategy that we can successfully apply to many U.S. cities. Minnesota could lead the way for other communities to more fully integrate their transportation market.

But the goal must be to do more than create a model for others. Due to spread out development patterns, Minnesota faces greater challenges in building effective, sustainable transit than many other metro areas. We cannot ignore the costs of our solo driving. We must begin now to build a sustainable transportation future. ●

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Coming together to fix health care

Building the information system for value-based medical care decisions

by Bob DeBoer

While most of the public has been thinking about bridges and transportation funding, in the interim between the 2007 and 2008 legislative sessions there has been an extraordinary amount of policy work around health care.

The Citizens League supported the formation of the Governor's Health Care Transformation Task Force (Executive Director Sean Kershaw is a member), and the legislative Health Care Access Commission, co-chaired by state Rep. Tom Huntley and state Sen. Linda Berglin, started working shortly after session ended.

The law passed last session which formed the Health Care Transformation Task Force set large goals. The top two are to reduce health care expenditures by 20 percent by January 2011, and to increase affordable health coverage options and other strategies that will ensure that all Minnesotans have health coverage by January 2011.

The second goal is similar to the Health Care Access Commission's charge to "make recommendations to the legislature on how to achieve the goal of universal health coverage... which shall include a timetable in which measurable progress must be achieved toward this goal."

Deadlines for recommendations from these two efforts are January 15, 2008 and February 1, 2008, respectively.

The major conclusion from the 2006 Citizens League report "Developing Informed Decisions" has informed our approach to the work of the Health Care Transformation Task Force. The report concluded that there is not enough information available to consumers to support a functioning market in medical care and that the market is supplier driven.

The focus of the Citizens League effort in these deliberations is that we need to develop a payment system that pays for health care that provides value. In order to

do that we must specify how we can establish standardized ways to measure health outcomes and then pay for those outcomes, rather than paying for medical procedures regardless of the outcome.

In 2007, the Citizens League proposed legislation, authored by state Rep. Tom Huntley (DFL-Duluth) and state Sen. Geoff Michel (R-Edina), to form a Medical Care Consumer Council. The report of the Health Care Transformation Task Force and its potential for implementation will inform us as to whether that legislation needs to be revisited, or if there are sufficient measures to build the appropriate information system to develop informed decisions. ●

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