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"...the supposed links between urban sprawl, highway construction, and congestion largely fade away on close examination. Or rather, the links persist, but in exactly the opposite way of what 'smart growth' advocates claim."

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INSIDE

Tax reform drains fiscal disparities pool

by Phil Jenni

The 2001 property tax reforms appear to have had a dramatic effect on the metropolitan area's innovative tax-base sharing law, commonly referred to as fiscal disparities. The 2001 reforms reduced the region's net tax capacity by compressing the tax rates of various types of properties, particularly commercial industrial property. The result is a nearly 32 percent decline in the region's fiscal disparities pool, from $314,212,440 last year to $214,270,244 in 2002. The pool is redistributed each year among the 187 participating communities in the seven-county metropolitan area in an effort to reduce the disparities in commercial/industrial (C/I) tax base between those communities.

While the fiscal disparities pool declined, the impact is not as great as it seems because of other changes to the state tax code and by the state's takeover of education funding.

What is fiscal disparities?

The Minnesota Legislature passed the Twin Cities tax-base sharing law in 1971 and, after several court challenges, it was implemented in 1975. (More information on the history of the program can be found at www.citizensleague.net.) The law requires cities in the metro area to contribute 40 percent of the growth in their C/I tax base since 1971 to a region-wide fiscal disparities pool. This tax base is then redistributed based on a formula that takes into account a city's population and the market value of all property in the jurisdiction.

The tax base put into the pool is taxed at a rate equal to the average metro tax rate and then the revenue generated by the pool is sent to each community according to the amount of tax base awarded to it. Since a portion of all C/I properties is taxed at a uniform regional rate, the tax burden on comparable pieces of C/I properties varies less from one jurisdiction to another than it otherwise would.

In addition to reducing the fiscal disparities between neighboring communities, tax-base sharing is intended to promote regional planning by ensuring that all metro communities benefit from valuable commercial industrial tax base. Proponents argue it discourages communities from competing against one another for development and encourages acceptance of development that generates less tax base but serves regional purposes, such as parks and nature preserves or affordable housing.

This year's net gainers and net contributors

All metropolitan communities pay into the pool and all receive a distribution from the pool. The net difference between the contribution and the distribution results in a net gain (getting out more than they contribute) or a net contribution (paying more in).

In our annual analysis of metro cities with populations over 9,000, the city of St. Paul was once again by far the biggest recipient of tax base sharing with a net gain of nearly $19 million. Minneapolis followed a distant second with a net gain of approximately $3.3 million. Cottage Grove, South St. Paul and Coon Rapids round out the top five.

The top five cities with the largest net contribution to the tax-base sharing pool were Bloomington, Golden Valley, Minnetonka, Arden Hills and Roseville. The last two mark a slight shift from previous surveys in which the biggest net "losers" have all been communities in Hennepin County.

As in past years, Bloomington had the largest net loss, at about $14.5 million, which equals about 13.3 percent of the city's overall tax base.

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Minnesota's health care provides unequal access for Latino residents

Editor's note: This the final article in an occasional series of stories exploring Minnesota's changing populations, the challenges faced by new immigrants and the implications of immigration for the state and local communities. Other articles in the series may be viewed at www.citizensleague.net.

by Claudia Fuentes

For eight of the past 12 years, Minnesota has topped the list for the relative healthiness of the state's population (America's Health: UnitedHealth Foundation State Health Rankings, Oct. 2001). Minnesota's healthy reputation is in part due to its support of public health care. But mention this news to Latinos across the state and the response may likely be one of surprise.

While Minnesota deserves credit for public health care programs such as MinnesotaCare that provide health insurance to low-income people, startling disparities exist between Minnesota's white population and communities of color when it comes to health insurance, according to Minnesota Health Insurance and Access Survey (Minnesota Department of Health, 2001). In this instance, it's the Latino community that tops the list. The percentage of uninsured white Minnesotans is just 4.6 percent compared with 17.6 percent for the Latino population. Overall, approximately half of those without health insurance are eligible for public health insurance coverage.

Que Pasa? What's happening? According to a new report, *Disparities in Health Access: Voices from Minnesota's Latino Community*, Minnesota's Latinos face a number of barriers accessing health care, including language, culture and difficulty coping with the complex nature of the U.S. health care systems.

Latino Community Characteristics

The term Latino is used because it refers more exclusively to persons or communities of Latin American origin. Most Spanish-speaking immigrants in Minnesota have Latin American ancestry—primarily Mexican. Latinos are the fastest growing minority community in Minnesota. The population of Latinos in the state grew 166 percent during the 1990s, from 53,884 in 1990 to 143,382 in 2000.

According to the state demographer, Latinos are young (average age 23+) and the most disbursed ethnic population in the state. One-third reside in the urban core, one-third in the suburbs and one-third in greater Minnesota.

These residents represent a significant economic force with a collective buying power of $1.4 billion. They are also a prime workforce; the presence of the Latino workforce in South Central Minnesota (Region 9) results in estimated $121 million in additional tax revenue. Enrollment figures from school districts—both urban and rural—illustrate that Latinos will continue to be a prime workforce.

Overview of Findings

The health care study was based in part on discussions with eleven focus groups of Latinos across the state. The focus group participants varied in sex, age, country of origin, immigration status, health insurance and employment status, and number of years residing in the United States.

The researchers' goal was to understand community members' concerns, needs and knowledge of existing programs and services in an effort to improve health programs and policies. The key findings describe some of the underlying structures inherent in the Minnesota health care system that are particularly troublesome for some Latinos.

One of the primary barriers is the very nature of the U.S. health care system and health insurance process. Maneuvering in

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Letters: Sprawl doesn't equal congestion

I was interested to read Israel and O'Hara's report on the results of the Civic Confidence Survey (1/29/02). However, I would like to take issue with some of their interpretations; specifically their statement about "...urban sprawl, a strong contributing factor to congestion," and their assertion that it is "disturbing to note that... their first choice for reducing traffic congestion is the construction of more roads."

As I discussed at some length in my own *Minnesota Journal* article (9/18/01), the supposed links between urban sprawl, highway construction, and congestion largely fade away on close examination. Or rather, the links persist, but in exactly the opposite way of what "smart growth" advocates claim. In examining the 31 largest U.S. cities, I found that higher urbanized area density is very strongly associated with higher congestion, not lower. And more highway miles per person was strongly associated with lower congestion.

Consider this comparison. Portland, Oregon maintained an urbanized area population density of about 3,000 per square mile between 1982 and 1999. They added some lane miles of freeway during this time, but at a rate slightly slower than their rate of population growth. And during this time they jumped from 33rd to 8th nationally in the Texas Transportation Institute's congestion ratings. (Their 1999 ranking, incidentally, placed them one spot more congested than Atlanta, the poster child of sprawl.)

Pittsburgh, over the same time period, added no population, but greatly expanded the developed area, so that urbanized area density fell from 2,660 to 1,780. To add insult to injury, they added 50 percent to their total lane miles of freeway. Despite doing everything "wrong," the result was that they fell from 30th to 56th in the congestion ratings.

Certainly highway construction is not the answer to all of our problems. I have a hunch that if people understood clearly how much it costs, they might find congestion a little more tolerable. But road building does have its place. Perhaps what is disturbing is not that people favor expanded roads as a solution to congestion, but rather that surveys, and public debate more generally, tend to force people to take sides among the various possible solutions. There is no silver bullet; no "one size fits all" answer.

Gary Barnes, State and Local Policy Program, Humphrey Institute for Public Affairs

Viewpoint

From the Executive Director

Education's challenges: raising the bar and not leaving anyone behind

by Lyle Wray

Over the next 25 years, much of the growth in Minnesota's youth population, those age 18 and under, will occur in the Latino and African-American communities, the same populations that our current educational system most often fails to reach, in either K-12 or post-secondary schools.

At the same time, society is raising the bar on the level of education needed to command a family-living wage. In order to earn enough income to support a family, an individual now needs 14 years of education, a high school diploma plus two years of additional education or training.

Coming to terms with this reality represents a major challenge for Minnesota's educational institutions in assuring that the vast majority of students not only graduate from high school but go on to receive additional training or education.

It's not clear that our schools are up to the task. Truth be known, we don't do very well by some measures in educating Latino and African-American students. For example, Minnesota ranks second from the bottom nationally (just ahead of Wisconsin) in the percentage of African-American students who graduate from high school, according to a recent report by the Manhattan Institute for Policy Research (www.manhattan-institute.org).

In an evaluation of school performance by the Education Trust, a national advocacy organization for poor and minority students, Minnesota fares little better. Of the 89,000 public schools across the country, the Education Trust identified 4,577 schools with at least 50 percent low-income and minority students that out performed schools in wealthy communities. In the report, Texas had 454 over-performing schools with a large percentage of poor and minority students, Michigan had 93, North Carolina had 88 and Illinois 48. Minnesota had just one—and it was in Brainerd (*USA Today*, December 13, 2001).

In terms of post-secondary education, only 20 percent of "high talent, low-income" students in Minnesota go on to higher education, according to a recent report to the Minnesota Private College Council. Of those low-income students that do go on to post-secondary education, fewer graduate and more take a lot longer to complete their education. Many of those students also require costly remedial reading and mathematics programs.

Minnesota must learn to do a much better job educating the African-American and Latino students who will fill the state's high-skilled jobs in the future. The Citizens League report released last fall on school completion in Minneapolis and Saint Paul suggested a number of strategies for increasing the likelihood that this group of students both finish high school and go on to post-secondary education. The report identified eight sets of promising practices for improving school outcomes for at risk children and youth.

One of the report's key recommendations was to build stronger connections to employment for at risk students and widen the post-secondary options in the metropolitan area to include a greater number of technical vocational opportunities. It has been well demonstrated that these connections improve educational outcomes and future employment prospects. Other recommendations included smaller schools and continuing contact with a caring adult.

But surely we have much more to learn from the examples set by others. For example, the MESA program, based in Oakland, Calif., has been successful at improving math and science skills among Latino and African-American students in the 462 schools involved in the program. In Perry, Ohio, high schools have made it possible for low-income students to become certified in computer network administration before leaving school.

School officials in the state and inside the metro need to make it a core strategic priority to learn how "overachieving schools" work, and put a greater emphasis on improving educational outcomes for at risk populations.

And the state needs to maintain that priority in the face of a $2 billion budget shortfall. It's reasonable to be concerned that, in the legislature's scramble to close the shortfall, and the consequent scramble among school districts to balance their budgets, progress on improving educational outcomes for at-risk students will get sidelined.

We need to continue to scrutinize results and the degree to which promising practices are put in place. As a community, we need to help with mentoring and provide other means of support to get the job done.

While there is no clear simple answer, insisting on progress on this front—and putting a spotlight on progress or lack of it—should be the state's minimum responsibility, even in difficult budget times. MJ

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Getting Bessie down the stairs: declining revenue and rising spending breed trouble for state budget

by Duane Benson

You can lead a cow up a flight of stairs, but not back down. Cows legs simply don't work that way. I started thinking about this little known fact as I read through a recently completed report by the Minnesota Business Partnership, "Minnesota 1970-2020: Fifty years of state spending, personal income and demographic changes."

The report looks at several trends between 1970 and 2000 then makes some rough projections to see where they would lead us. As I looked at the numbers, I realized how effortless it has been to increase state spending during an era of unparalleled economic growth. The trek upward has been as steady as a cow's gait. Yet, despite all the warnings we've had from demographers and economists, we have developed few mechanisms for a painless descent if and when the time comes.

We limited the focus of "Minnesota 1970-2020" to the state's General Fund budget, which most people think of as the state budget. The purpose isn't to debate whether government has grown too much, too little or just the right amount. The point is to look forward. Our projections aren't predictions for what will—or necessarily even can—happen over the next 18 years. Rather, they are very simple extrapolations intended to raise questions about whether these trends are sustainable in an economy that is being reshaped by globalization, by advances in technology and by the simple fact that more and more of us are headed out to pasture.

If these trends appear sustainable, great! Let's keep climbing. If not, however, we need to start thinking about how we will provide and pay for public services as demand increases and the state's ability to raise revenues becomes increasingly constricted. In other words, how will we get Bessie back downstairs? Or how will we get more of us upstairs to pull state spending ever higher?

Minnesota 1970-2000

In 1970, personal income in Minnesota was $4,053 for each of the state's 3.8 million people, giving the state total personal income of just under $15.5 billion. These figures are important, because they represent our capacity to pay for government services. The general fund budget at the time was $1.89 billion for the 1970-71 biennium.

Over the past 30 years, we've been climbing the stairs. At the threshold of the new century, Minnesota's economy was generating $31,913 for each of the state's 4.9 million residents, or $157.4 billion in total personal income. The general fund budget followed along, climbing to $23.6 billion in 2000-01.

How we climbed such a steep flight of stairs involves a lot of factors: a diverse economy, advances in technology and corresponding increases in productivity, expanding markets for Minnesota exports, and, of course, inflation. Another important contributor was a workforce swelled by the Baby Boom generation. Between 1970 and 2000, Minnesota's workforce grew from 1.56 million people to 2.74 million—accounting for virtually all of the state's population growth. We had more people making—and spending—more money. This was true not just in Minnesota or the United States but also throughout the industrialized world.

Minnesota 2000-2020

In order to project forward, we focused on the 1990s, a decade marked by unchecked economic growth, low inflation, in-migration and relatively restrained state spending. During the 1990s, Minnesota's General Fund budget grew an average of 13.3 percent from one biennium to the next—outpacing inflation eight out of the 10 years. While not exactly miserly, that growth rate was less than the 19.5 percent average biennial increase logged between 1970 and 2000.

Based on a 13.3 percent biennial growth rate, Minnesota's General Fund budget would exceed $85 billion—a 261 percent increase—by 2020-21. That's just nine biennial budget-setting sessions from now. It's very likely that many of today's rising stars in state government will be around to draft and vote on that budget.

The question, of course, is whether we will be able to afford an $85 billion budget. Per capita income during the 1990s grew at an average annual rate of 4.74 percent. At that pace, per capita income would be $80,578 in 2020. But the real key is the demographics: How many pairs of legs do we have climbing the stairs and how old are they? During the 1990s, Minnesota's population grew from 4.4 million to 4.9 million—again with most of that growth occurring in the workforce.

Existing demographic projections, however, indicate Minnesota's population will grow only slightly, to 5.24 million in 2020, pushing total personal income to $422.23 billion—a 168 percent increase. It should be noted that those demographic projections are several years old and already understate population growth in Minnesota. If we assume that Minnesota continues to add about 50,000 people a year, as it did during the 1990s, the state's population would be 5.94 million people in 2020. Multiply that by $80,578 and total personal income would equal $477 billion—a 202 percent increase.

Under either scenario, personal income fails to keep pace with spending. Now consider that the Baby Boomers will soon begin moving out of their peak earning and spending years, with the oldest of us entering retirement in 2011. That will make it harder to hike personal income to $80,000. But it will also dampen growth in taxable income (retirees tend to have less of it) and sales tax revenues (retirees tend to purchase more non-taxed services and fewer taxable goods). In other words, a lot of the legs that have taken us this far, including mine, are getting old and arthritic, and we may not be as much help in the future as we have been over the previous 30 years.

Sum of parts is greater than the whole

Another of the many troubling findings that resulted from this exercise is that the sum of the parts may very well be greater than the whole. "Minnesota 1970-2020" examines three budget items: health care, state aid to school districts, and property tax aids and credits. Together these three spending categories accounted for roughly two-thirds of the general fund budget in

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the health care system is difficult for many regardless of ethnic background; however, complicated administrative processes are doubly complex if a patient comes from a country that has socialized medicine, as many Latino immigrants do.

Another common complaint is the lack of translation services and written materials. Title VI of the Civil Rights Act of 1964 requires that all programs receiving federal assistance (such as Medicare and Medicaid) provide appropriate interpretive services and translation of written materials for patients with limited English proficiency. Even so, many Latinos complain of the lack of Spanish materials and interpreters.

They send us a book of all benefits and services that are available to us, but it's all in English...What good is it to us if they send us all this information and they fill it with literature that we can't understand?

The lack of comprehensible information leads some Latinos to disqualify themselves from insurance programs that they may be eligible for. These decisions are based on information often shared by word-of-mouth, or on experiences they have had in other states.

Health care costs, including the costs of premiums and deductibles, are also a significant barrier. Many of the focus group participants said they have to make difficult decisions, which often lead to using of clinics and providers only in a medical crisis.

When my son was born, I had two insurance providers that were supposed to pay for the expenses. Then I had to take him to the emergency room because he was bleeding, but I was told it was not an emergency. Then I got a $200 bill for that service, so I called the insurance company but they said they would not pay because it was not an emergency. So I finally had to pay the bill in two payments.

There was a strong consensus that there is a general clash of cultures and limited professional understanding of cultural issues by the public health and medical professionals.

Some Latinos have found providers and clinics that do meet their health care needs. One of the reasons cited is that the clinicians took time to build a relationship with the patient.

And some clinicians are educating themselves to better understand their patients. It is obvious that without cultural knowledge and understanding, there are wide chasms in the beliefs of provider and patient.

So what happens if a patient goes to the doctor and say(s) that his/her child got 'mal de ojo' and the doctor says it does not exist, it is superstition, and that the patient is wrong...Ultimately, she is explaining to the doctor what her kid has based on what she knows through her Mexican culture.

Recommendations

To reduce the number of uninsured among the state's Latino population, participants in this study reiterated several recommendations: improve health care outreach, make translated materials more widely available and increase the number of Spanish-speaking staff.

Employers have a role in improving access as well. May participants felt that employers paid too little toward the cost of health care. Latinos make up the backbone, literally, of many industries in Minnesota, including labor-intensive industries like meatpacking where there is a high risk of injury.

Clearly, meeting Latino health care needs is a challenge that many states must undertake. The disparities in health care access and health status illustrate the need for a new commitment and new approaches that come from within the community of interest. MJ

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2000-01. Two of these items, health care and aid to school districts, grew faster than the overall budget during the 1990s. Biennial increases averaged 21.3 percent and 18.3 percent, respectively. (It should be noted here that increases in aid to school districts don't necessarily translate to increased revenue for districts, and that broad spending trends don't always reflect what occurs within individual districts.) The third item, property tax aids and credits, averaged a modest 3.1 percent biennial growth rate.

Project those trends out to 2020 and general fund spending on health care would hit $26 billion. Aid to school districts would approach $49 billion, and property tax aids and credits would exceed $4 billion. Together these three items alone would total $79 billion, or about 92 percent of the projected $85 billion biennial budget.

Obviously something's wrong here. These three line items couldn't actually consume nine out of every ten dollars the state spends in 2020-21. But what is going to change to keep that from happening? Will a competitive, global economy allow Minnesota to simply raise taxes high enough to compensate for an eroding tax base? Or will we be able to attract employers and employees—at a faster rate than in the 1990s—to keep our tax base broad enough to support higher state spending? Will we reach a crisis point where deep spending cuts and steep tax increases are unavoidable? Or will we, in the next few years, find the courage to enact systemic reforms that will prepare Minnesota for these inevitable challenges?

I'm betting on the latter, because I know you can't lead a cow down stairs. MJ

Duane Benson is the executive director of the Minnesota Business Partnership, a non-profit, nonpartisan public policy group comprised of 100 CEOs leading the state's largest employers.

2002 Twin Cities tax base sharing by counties

County	2000 population	Total net tax base before fiscal disparities	C-I* tax base before fiscal disparities	Net (loss) or gain of tax base due to sharing**	% change in tax base due to sharing	% change in C/I tax base due to sharing	C/I tax base per capita before sharing	C/I tax base per capita after sharing	Net gain or (loss) of tax base per capita
Anoka	298,084	$185,413,619	$47,658,892	$11,589,800	6.3%	24.3%	$160	$199	$39
Carver	70,205	$55,333,144	$12,493,633	$1,702,359	3.1%	13.6%	$178	$202	$24
Dakota	355,904	$277,945,700	$77,742,683	$1,846,909	0.7%	2.4%	$218	$224	$6
Hennepin	1,116,200	$1,051,346,906	$404,180,744	($36,401,371)	-3.5%	-9.0%	$362	$329	($33)
Ramsey	511,035	$327,945,738	$117,142,791	$15,476,413	4.7%	13.2%	$229	$260	$31
Scott	89,498	$71,558,478	$16,758,922	$1,389,730	1.9%	8.3%	$187	$203	$16
Washington	201,130	$160,568,611	$34,410,924	$4,395,195	2.7%	12.8%	$171	$193	$22
2002 Total	2,642,056	$2,130,112,196	$710,388,589	$214,269,279					
2001 Total	2,578,272	$2,745,133,935	$1,093,973,695	$314,212,422					
difference		($615,021,739)	($383,585,106)	($99,943,143)					
percent difference		-22.4%	-35.1%	-31.8%					

* Commercial industrial net tax base, for taxes payable in 2002, including value in tax-increment districts

** The net gain or (loss) is the difference bewteen the amount of tax base a community contributes to the sharing pool and the amount it receives back.

SOURCE: MINNESOTA HOUSE RESEARCH DEPARTMENT

2002 tax base sharing at a glance

Top 5 net gainers, (last year rank)
St. Paul, $18,858,381 (1)
Minneapolis, $3,324,129 (41)
Cottage Grove, $2,092,100 (2)
South St. Paul, $1,841,057 (4)
Coon Rapids, $1,797,421 (3)

Top 5 net contributors
Bloomington, -$14,558,751 (1)
Minnetonka, -$7,576,768 (4)
Eden Prairie, -$7,417,706 (2)
Plymouth -$6,851,984 (3)
Edina, -$5,063,517 (5)

C-I tax base per capita

Top 5 cities before sharing
Bloomington, $672
Golden Valley, $589
Minnetonka, $563
Arden Hills, $555
Roseville, $553

Bottom 5 cities before sharing
East Bethel, $40
Andover, $48
Mound, $56
Prior Lake, $65
Robbinsdale, $78

Top 5 cities after sharing
Bloomington, $501
Golden Valley, $466
Arden Hills, $453
Roseville, $445
Shakopee, $422

Bottom 5 cities after sharing
Mound, $109
Prior Lake, $112
Andover, $115
East Bethel, $117
Lino Lakes, $137

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Other cities contributing more than 10 percent of their base include Minnetonka with a net contribution of $7.5 million (10.7 percent of tax base) and Eden Prairie at $7.4 million (10 percent). However, even after tax base sharing, Bloomington, Golden Valley, Eden Prairie, Minnetonka, Arden Hills, Roseville, Edina and Shakopee remain the top eight metro cities in terms of C/I tax base per capita.

While tax base sharing does not significantly alter which cities have a lot of tax base per capita and which cities do not, it does accomplish its primary goal: reducing the disparities between cities. Before the tax base was reapportioned, the C/I tax base per capita ranged from $672 in Bloomington to $40 in East Bethel—a ratio of 16.8 to 1. After sharing, the range drops to $501 in Bloomington and $109 in Mound—a ratio of 4.6 to 1.

In actual dollar terms, the top five contributors to the fiscal disparities pool were Minneapolis ($30.8 million), Bloomington ($19.4 million), St. Paul ($13.3 million), Plymouth ($10.5 million), and Eden Prairie ($10.1 million). The top five recipients were Minneapolis ($34.1 million), St. Paul ($32.1 million), Brooklyn Park ($6.5 million), Coon Rapids ($5.9 million), and Bloomington ($4.9 million).

While only three cities saw their overall C/I tax base decrease by more than 10 percent as a result of the fiscal disparities program, 12 cities saw an increase of more than 10 percent. Columbia Heights (18 percent) South St. Paul (17.9), Robbinsdale (16.3) and East Bethel (15.4) lead the way. St. Paul experienced a 13 percent increase in its overall tax base as a result of tax base sharing.

Sharing tax base, not revenue

The fiscal disparities program shares tax base—not tax revenue. Sharing tax base increases individual communities' capacity to generate revenue. Without tax base sharing, communities with lower value tax bases are forced to impose a higher tax rate on their property owners in order to deliver a basic level of public services. At the same time, communities with higher value tax bases, which came to them, in part, as the result of regional decisions about infrastructure, can impose a lower tax rate and still raise the amount needed to provide basic services. The result is that the communities with smaller tax bases and higher tax rates become less attractive to businesses looking to relocate or expand, making it difficult for those communities to attract the commercial industrial property needed to grow their own tax base, and the cycle continues. MJ

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2002 Twin Cities tax base sharing for cities with populations above 9,000

CITY	Total tax base before sharing	C/I tax base before sharing	Net gain or (loss) due to sharing	% Change in total tax base due to sharing	% Change in C/I tax base due to sharing	C/I tax base per capita before sharing	C/I tax base per capita after sharing
ANOKA COUNTY							
Andover	$ 15,712,356	$ 1,278,592	$1,778,227	11.3%	139.1%	$ 48	$115
Anoka	11,186,841	4,149,380	819,148	7.3%	19.7%	$230	$275
Blaine	29,440,412	9,413,071	812,621	2.8%	8.6%	$209	$228
Columbia Heights	8,855,475	1,706,483	1,591,528	18.0%	93.3%	$92	$178
Coon Rapids	38,196,650	11,771,147	1,797,421	4.7%	15.3%	$191	$220
East Bethel	5,452,204	440,566	840,276	15.4%	190.7%	$40	$117
Fridley	22,380,159	10,657,225	($944,514)	-4.2%	-8.9%	$388	$354
Ham Lake	8,677,124	1,356,014	507,464	5.8%	37.4%	$107	$147
Lino Lakes	10,635,856	1,449,350	851,425	8.0%	58.7%	$86	$137
Ramsey	12,220,535	2,758,917	595,589	4.9%	21.6%	$149	$181
CARVER COUNTY							
Chanhassen	21,038,703	5,763,846	3,364	0.0%	0.1%	$284	$284
Chaska	13,582,312	5,166,569	($448,290)	-3.3%	-8.7%	$296	$270
DAKOTA COUNTY							
Apple Valley	32,750,506	6,154,005	1,455,053	4.4%	23.6%	$135	$167
Burnsville	50,879,166	19,087,901	($2,090,106)	-4.1%	-10.9%	$317	$282
Eagan	60,716,968	23,066,919	($3,723,541)	-6.1%	-16.1%	$363	$304
Farmington	7,542,497	1,112,010	835,244	11.1%	75.1%	$90	$157
Hastings	10,322,193	2,215,125	1,158,602	11.2%	52.3%	$122	$185
Inver Grove Hts	21,528,575	5,270,042	621,351	2.9%	11.8%	$177	$198
Lakeville	30,881,614	5,765,409	1,344,303	4.4%	23.3%	$134	$165
Mendota Heights	13,981,419	4,621,361	($940,671)	-6.7%	-20.4%	$404	$322
Rosemount	11,635,035	3,481,866	($52,164)	-0.4%	-1.5%	$238	$235
South St. Paul	10,268,233	2,404,470	1,841,057	17.9%	76.6%	$119	$211
West St. Paul	12,539,336	3,212,196	893,684	7.1%	27.8%	$166	$212
HENNEPIN COUNTY							
Bloomington	109,245,491	57,212,144	($14,558,751)	-13.3%	-25.4%	$672	$501
Brooklyn Center	18,033,358	7,495,962	635,875	3.5%	8.5%	$257	$279
Brooklyn Park	42,562,200	14,028,236	1,788,923	4.2%	12.8%	$208	$235
Champlin	12,729,564	1,915,261	1,432,367	11.3%	74.8%	$86	$151
Crystal	12,572,966	2,475,298	1,502,807	12.0%	60.7%	$109	$175
Eden Prairie	74,067,762	28,889,715	($7,417,706)	-10.0%	-25.7%	$526	$391
Edina	72,605,378	23,708,287	($5,063,517)	-7.0%	-21.4%	$500	$393
Golden Valley	26,046,556	11,947,766	($2,505,304)	-9.6%	-21.0%	$589	$466
Hopkins	13,560,881	4,988,385	96,512	0.7%	1.9%	$291	$297
Maple Grove	46,957,125	14,790,721	($1,520,895)	-3.2%	-10.3%	$294	$263
Minneapolis	280,715,524	125,858,368	3,324,129	1.2%	2.6%	$329	$338
Minnetonka	71,035,009	28,876,596	($7,576,768)	-10.7%	-26.2%	$563	$415
Mound	6,668,373	526,729	498,138	7.5%	94.6%	$56	$109
New Hope	14,317,165	5,121,254	322,136	2.2%	6.3%	$245	$261
Plymouth	77,070,803	29,696,612	($6,851,984)	-8.9%	-23.1%	$451	$347
Richfield	22,169,804	5,460,375	1,515,851	6.8%	27.8%	$159	$203
Robbinsdale	7,028,519	1,106,684	1,147,277	16.3%	103.7%	$78	$160
St. Louis Park	42,778,419	17,221,588	($1,516,683)	-3.5%	-8.8%	$390	$356
RAMSEY COUNTY							
Arden Hills	10,071,732	5,354,979	($982,445)	-9.8%	-18.3%	$555	$453
Little Canada	6,633,383	2,294,546	128,167	1.9%	5.6%	$235	$248
Maplewood	30,578,454	14,292,073	($2,207,486)	-7.2%	-15.4%	$409	$346
Mounds View	6,805,807	2,098,058	628,289	9.2%	29.9%	$165	$214
New Brighton	14,786,944	3,829,028	650,949	4.4%	17.0%	$172	$202
North St. Paul	6,008,349	1,103,271	865,608	14.4%	78.5%	$92	$165
Roseville	36,951,437	18,617,884	($3,613,089)	-9.8%	-19.4%	$553	$445
Shoreview	21,122,410	4,969,560	440,993	2.1%	8.9%	$192	$209
St. Paul	144,947,829	51,734,541	18,858,381	13.0%	36.5%	$180	$246
Vadnais Heights	11,130,154	4,035,973	($527,272)	-4.7%	-13.1%	$309	$268
White Bear Lake	16,115,685	4,106,227	659,237	4.1%	16.1%	$169	$196
White Bear twp.	8,761,916	1,903,623	150,039	1.7%	7.9%	$169	$182
SCOTT COUNTY							
Prior Lake	11,412,731	1,028,948	752,925	6.6%	73.2%	$65	$112
Savage	15,814,338	2,962,553	847,889	5.4%	28.6%	$140	$180
Shakopee	21,948,062	10,215,027	($1,543,452)	-7.0%	-15.1%	$497	$422
WASHINGTON COUNTY							
Cottage Grove	15,965,050	2,497,694	2,092,100	13.1%	83.8%	$82	$150
Forest Lake	11,053,962	2,899,302	175,008	1.6%	6.0%	$201	$213
Oakdale	16,949,669	4,660,353	668,212	3.9%	14.3%	$175	$200
Stillwater	12,195,833	3,386,158	74,055	0.6%	2.2%	$224	$229
Woodbury	45,186,201	11,674,643	($708,150)	-1.6%	-6.1%	$251	$236

TakeNote Policy Tidbits

If the Twin Cities continues to have Kansas City-like winters will we still be a cold Omaha?

Yugo Lanes? Equity concerns about so-called "Lexus lanes" have slowed momentum in the Twin Cities' for High Occupancy Toll (HOT) lanes, where solo drivers can pay an electronically collected toll to use underutilized HOV lanes. Ironically, a new study on a four-year-old project in San Diego shows that the highest level of support for the HOT concept comes from—you guessed it—the lowest income users (80% support).

And while some Minnesota politicians fret about consumer acceptance of HOTs, San Diego citizens support having a timesaving option on the freeway by an overwhelming 91 percent to 7 percent margin. —*Joe Loveland*

A report by the Council on Graduate Medical Education in the 1990s forecast a surplus of physicians based on predicted demand for visits and procedures. A new analysis in the January/ February 2002 issue of *Health Affairs* paints a very different picture. It found that demand for medical care has grown 50 percent faster than the gross domestic product over the past 70 years. Even given the substitution of nurse practioners, physician assistants and other paraprofessionals, there will be an estimated shortage of 50,000 physicians by 2010. Given the long lead times in physician training, these new findings suggest further urgent attention to physician supply issues. —*Lyle Wray*

New York cleans up buses. New York State will use $4.2 million in bond funds to purchase 35 hybrid-electric and 128 compressed natural gas (CNG) buses for use in three cities. This brings the state's total investment to $25 million for 538 clean fuel buses. By comparison, if Metro Transit in the Twin Cities metropolitan area had 538 clean fuel buses, that would be half of the entire fleet. For more information go to www.nyserda.org/pressother2001.html—*L.W.*

Women deserve a fair hearing in the state's redistricting process. A friend-of-the-court brief filed in January by the Minnesota Women's Campaign Fund (MWPC) with the state's Special Redistricting Panel argues judges should consider gender discrimination and the impact redistricting will have on women incumbents when redrawing the state's legislative boundaries. All of the redistricting plans submitted to the panel disproportionately affect the ability of women legislators in both parties to run for re-election, MWPC charges. The plans impact more than a quarter of women lawmakers, by either pairing them against each other, or changing their district boundaries to include substantially new territory, or by placing them into "unsafe" districts where a majority of voters are registered to the opposition party. To read the brief go to www.mwcf.org—*J. Trout Lowen*

A battle royale between 45 suburban cities and a 100-member alliance of neighborhood activists, smart growth advocates and bigger cities is underway over a law that would share sales tax revenues in metropolitan Sacramento. The Bill is AB680 and may be found at www.assembly.ca.gov—*L.W.*

At the Minnesota Council on Foundations annual meeting, Bruce Flessner indicated that more than 150,000 grants totaling more than $10 million were distributed from Fidelity Gift Fund accounts to Minnesota nonprofit organizations. Now, if we could only find out who gave and which organizations were impacted, we might be able to discover more about the nature of these grants. Are they available to many organizations, as is more typical among foundations and public charities, or do these grants simply represent another donor checkbook?—*Marina M. Lyon*

Builders in Portland, Oregon are taking the idea of making buildings "green" quite seriously. In an effort to promote building new infrastructure that has less of an impact on the environment, developers are implementing new technologies to save energy, recycling building materials, and even making the tops of buildings green—by planting vegetation on the roofs. The reason for the "forested" roofs is to help decrease the pollution associated with rainfall. As the plants absorb the water, they release it down the building at a slower rate, decreasing the amount of roof asphalt pollution contained in the runoff. Plants also help conserve energy by protecting the roof from extreme temperatures and ultraviolet rays—reducing energy costs. Are we likely to see trees on the roof of the IDS center? Probably not, but since the energy mantra around the Department of Commerce is conservation, maybe this carries potential for future buildings around the metro area.—*Scott McMahon*

Residential electric consumption rose from 924 billion kilowatt hours in 1989 to 1,231 in 2000, about a 33 percent increase in 11 years.—*L.W.*

High school enrollment in the United States is expected to peak in 2005. Secondary school enrollment rose from 15.6 million in 1991 and is expected to peak at 18.9 million in 2005. It will drop off to 18.2 million in 2011.—*L.W.*

Take note contributors include Journal *and League staff members and former League staffers Joe Loveland, a communications consultant, and Marina Lyon, president of the Pohlad Family Charities.*

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

PERIODICALS
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CITIZENS LEAGUE matters

NEWS FOR CITIZENS LEAGUE MEMBERS FEBRUARY 26, 2002

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Nancy Mate
Steve Schultz

CITIZENS LEAGUE

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

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

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

2002 Public Affairs Directory now available.

More on the fiscal disparities survey at www.citizensleague.net.

See details on both on the other side.

Phil Jenni leaves to take a walk on the wild side

He survived 16 years, two executive directors, 15 presidents, 16 research associates, 45 study reports, 17 fiscal disparities reviews, 16 property tax surveys, 260 *Minnesota Journals,* 388 payrolls, and hundreds of grant proposals and fundraising letters.

And now Citizens League finance director Phil Jenni is moving on to new challenges. Jenni will depart the League at the end of February to become executive director of the Wildlife Rehabilitation Center of Minnesota.

Jenni joined the League in December 1985 as finance director, but "Renaissance man" more aptly describes the many roles he has filled. As de facto chief operating officer, Jenni has managed the League's day-to-day operations, finances, budgeting and personnel. But he also has helped create and plan some of the League's most successful member programs, including the Mind-Opener policy forums, Speak Ups! and Legislative Networks, and has been known to staff study committees on occasion. He has written and edited the monthly *Matters* and is staff editor of the *Minnesota Journal.*

In his capacity as the most recent unofficial historian, he wrote a brief history of the League, and with **Paul Gilje**, produced a slide show on the League's history for the annual meeting in 1992. And as the League's unofficial carpenter he was spotted putting up walls and taping sheetrock when the League's offices were remodeled in 1994.

Jenni brought a unique brand of "curmudgeonly optimism" to the Citizens League and has been indispensable, said executive director Lyle Wray. "For ten years, Phil has been my right arm. I am now an amputee."

Jenni takes the reins of the non-profit Wildlife Rehabilitation Center on March 1. The center provides medical care, rehabilitation and release for injured and orphaned wildlife, as well as professional training and community education. Established in 1979 as a student organization, it now is an independent community partner of the University of Minnesota.

A Farewell to Phil

Please join us for a reception in recognition of Phil Jenni's 16 years at the Citizens League.

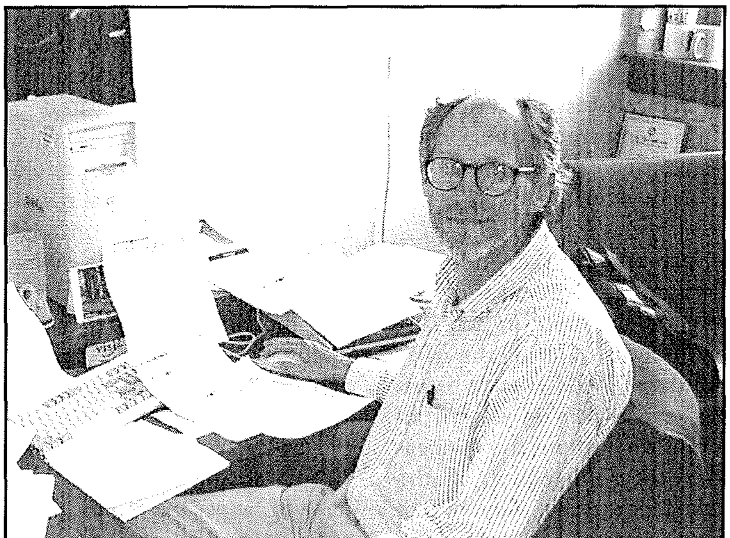
Thursday, March 7
5:30—7 p.m.

Hors d'oeuvres and a cash bar
Suggested donation: $10

University Club
420 Summit Avenue
St. Paul

To reserve please call 612-338-0791 or info@citizensleague.net

Special thanks to the University Club for their support.



Phil Jenni working on the 2001 tax increment financing report

The Citizens League at 50, creating good ideas, for a better Minnesota

The Citizens League is celebrating its 50th anniversary with a glimpse back at past achievements and by looking forward to coming challenges. Last month, we began this retrospective by tracing the beginnings of the League to the immediate post-war years in the late 1940s until its formal beginning on February 14, 1952.

On February 18, 1952 the Board held its first meeting and elected Stuart Leck as president. Today, five of the 31 original board members are still members of the League including vice-presidents **Bruce Dayton** and **Maynard Hasselquist**, and secretary **Donald Fraser**. The others are: **Charles Howard** and **Ray Black** (who later became the first executive director).

Financial support from Minneapolis' largest businesses and support and leadership from a broad cross section of people not previously members of the Good Government Group were critical to the launching of the reconstituted civic organization.

From the beginning the new Citizens League worked to make sure its board and membership represented Republicans, Democrats, labor, management and diverse racial and religious groups.

A very active group of volunteers took ownership of the new organization in its first few months. During the early months of 1952 "fireside meetings" were held in dozens of homes throughout the Minneapolis area. Members of the new Membership Committee recruited people to host meetings and then assigned others to phone neighbors of the host. A Speakers Committee furnished a speaker who was trained to explain the Citizens League, answer questions and sign up new members at the membership rate of $5.

The Membership and Speakers committees also arranged to have speakers at local service club meetings and at church groups. The Publicity Committee produced newspaper stories and guest editorials for the morning and the evening papers. But it was the fireside meetings, over 100 of which were held in the League's first 18 months, that proved to be the best means for recruiting new members and building a strong base of financial support.

The League hired its first professional staff in the spring of 1952, and on April 14, 1952, Ray Black was hired as the first executive director. **Albert Richter** was hired as research director a couple of months later.

By the end of May 1952 membership had grown to 900, study committees had been organized and the first issue of the News Bulletin circulated.

Approximately 150 people attended the first annual membership meeting, held on June 11, 1952, by which time membership had grown to 1,017. The meeting included a panel discussion of city and county problems and featured two aldermen and two members of the County Board.

It was apparent from the start that $5 memberships would not support a full program of research and action. Consequently, the League recruited 330 additional contributors, mostly businesses but also including labor unions, a church, foundations and individuals.

By the end of 1953 the League had nearly 2,200 members (about 25% of whom were from Hennepin County outside of Minneapolis, about the same percentage as the population at the time). It had held four general membership meetings, 107 fireside meetings, booked 211 speakers on the League, participated in 14 radio and nine television shows, and received over 1,000 inches of newspaper publicity, plus mention in 21 editorials.

Frank Lloyd Wright, who was born in the same Wisconsin town as director Ray Black, spoke to over 1,000 people at the League's annual meeting in 1957. That meeting is still the largest gathering in League history. By the mid-1950s the League was firmly established and ready to make an impact on public policy.

Next month: The new organization begins to make its mark on public policy.

Hot Off the Press! 2002 Public Affairs Directory now available.

The Citizens League Public Affairs Directory (PAD) is a must for anyone interested in the who and where of public policy in the metropolitan region.

The PAD contains the names, addresses, and contact numbers for public officials in government and education. There are also listings for communication and community organizations, many with website information. A handy reference book and easier to use than traditional phone book listings.

The PAD still sells for $15 for members ($20 for non-members), and our postage charge has held the line at $1.50. Order your copy today at www.citizensleague.net or call 612-338-0791.

This month's issue of the Minnesota Journal contains the League's annual survey of the metropolitan tax base sharing law known as fiscal disparities. For space reasons only about half of the article is printed in the Journal. For the full story please go to www.citizensleague.net. The League web site also has a story about the history of fiscal disparities.