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A publication of the Citizens League

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Health care reform demands explicit, reordered framework of shared values

Major health care reform is inevitable. The long litany of concerns with our health care system can be summarized into the broad problems of inadequate access to needed services, the high cost of health care services, and the unknown quality of services provided. These problems have raised widespread criticism; virtually everyone is dissatisfied with the present system. The consensus that *something* needs to be done, however, does not extend to *what* should be done.

by Reinhard Priester

Given the federal government's paralysis, state health care reform appears more likely, though the feasibility and appropriateness of reform at the state level are unresolved issues. Minnesota is among the handful of states seemingly on the verge of major reform. But we, too, are unsure what direction to take.

Recently, a variety of health care reform proposals have been put

forward in Minnesota. Some suggest quick-fix solutions. Others call for dismantling either the entire system or portions of it. Most proposals for change, however, ignore or uncritically adopt the current framework of values underlying our health care system.

But, by not making explicit the values we should adopt, discussion will be hollow and consensus for reform nearly impossible. We, as a

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Austin, Albert Lea join forces

by Lee Benorden

Unbelievable. Austin and Albert Lea working together.

Does Mike Ditka invite Jerry Burns to do lunch? How many times have Paul Wellstone and Rudy Boschwitz swapped advice since the 1990 elections? Albert Lea and Austin? Get real.

We're talking serious implausibility here. Unthinkable, impossible, unimaginable, and downright far-fetched.

Austin and Albert Lea. Why, for decades the two cities names were separated by "versus" to describe, politely, how they competed against each other. Duels on the gridiron, the diamond, the basketball court and in other arenas were legendary for their ferociousness.

Occasional attempts were made to join forces to pursue common goals, but behind the smiling faces of officials seeking compromise were the visages of Packers from Austin and Tigers from Albert Lea.

All that is changing today, and it's come in a hurry. Last April, some forward-thinking people from both cities decided there is strength

Costs lead state to cut capabilities of public telecommunications system

Because of sobering price tags, state officials have cut out a key element in a telecommunications system serving government agencies and higher education systems in Minnesota. As a result, some legislators are asking if the state has now set its sights too low, and the state's higher education systems are re-examining their objectives for interactive instruction.

by Allan Baumgarten

tions Access and Routing System. STARS would improve voice and data communications for government units and link many parts of the state with advanced video transmission.

By the end of 1990, the state had issued a request for proposals to develop and operate STARS. Bidders were directed to offer proposals for voice service, data transmission to serve as many as 16 separate government networks now operating, such as courts and welfare, and video conferencing that would eventually connect all

87 county seats.

Bidders were also asked to offer proposals for digital, wideband video services that would connect endpoints located at 11 technical colleges. As envisioned, that service would be full-motion, full-color, and interactive.

Legislators and others who attended briefings on STARS came away with high expectations. For example, observers like Rep. Rick Krueger, DFL-Staples, one of the Legislature's experts on technology, viewed wideband capability

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Over a two-year planning period, state officials had conceived of an ambitious public sector telecommunications system, leased from and operated by private vendors. They called it STARS, an acronym for Statewide Telecommunica-

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Serious about transit? Adopt Met Council plan

The Metropolitan Council is about to deliver to the Minnesota Legislature a *balanced* transit proposal that could break the deadlock that reaches back two decades to the area's first rail-transit proposal.

The council's Transit Facilities Plan is a simple but ingenious cobbling together of an entire series of transit improvements, in contrast to previous all-or-nothing proposals (build a large, expensive, all-light-rail transit system, period), which have never succeeded in the Legislature.

This common-sense combination concentrates on reserving rights of way for transit rather than for a particular vehicle. It proposes separate rights of way for both light-rail transit (LRT) and buses or car pools. As Natalio Diaz, the council's transportation manager, told a Minnesota Senate committee the other day, "This is not a bus plan, or a ride-sharing plan, or a high-occupancy vehicle plan, or an LRT plan, it's all of those things."

This means starting with a wide variety of transit improvements and, over time, adding more of whatever works best to move people cost-effectively.

The idea, said Council Chair Mary Anderson, is to provide "time savings and convenience for people who are *riding*, whether they're riding in car pools or on buses or another type of vehicle...to give the edge to any vehicle that carries more people than a solo driver."

Region's shared tax base grows five percent

Cities in the Twin Cities metropolitan area will share 31.8 percent of the region's commercial-industrial (C-I) tax base in 1992 under Minnesota's tax-base sharing law, also known as the fiscal disparities act.

The tax base shared is \$305.1 million out of a total C-I tax base of \$959.3 million. (Excluded from this tax base is property within tax-increment finance districts established before 1979 and, as a result of legislative changes in 1991 described below, the city of Sunfish Lake.) The amount shared is five percent greater than last year, when cities shared \$290.5 million out of \$943 million, or 30.79 percent. (See bar chart.)

The tax-base sharing law allows

Guest Editorial

by Pete Vanderpoel

If this sounds a lot like the Citizens League's longstanding refrain (transit means riding, not a particular kind of vehicle), the proposal also contains an LRT line which the League has argued is not cost-effective.

The area, it's worth noting, has been moving gradually in the direction advocated by the plan over the last decade or so. We have a few separate freeway entrances for buses and car pools to bypass lines of driver-only cars, preferential downtown parking for car pools, express transit lanes for buses and car pools on I-394 west of downtown Minneapolis, the new busway connecting the University of Minnesota's St. Paul and Minneapolis campuses.

Another type of balance the Transit Facilities Plan exhibits is improving transit in many parts of the metropolitan area, rather than spending very large amounts of capital on a few diagonals leading into the central-city downtowns.

Broadly, the Council draft plan calls for putting buses and car pools on exclusive freeway lanes; light-rail transit on I-94 between downtown Minneapolis and St. Paul and perhaps on I-35W south of downtown Minneapolis; improved bus service, including park-and-ride lots and a Regional

Transit Board proposal to re-orient bus routes and improve suburban service; and a series of ingenious, low-cost capital improvements developed by the Metropolitan Transit Commission and Minnesota Department of Transportation to detour buses and car pools around congestion points entering and exiting freeways.

This all represents nothing less than a significant break with the past: an attempt to reverse our historic public-policy preference for roads carrying mostly one-occupant autos and, for the first time, really to make transit competitive with driver-only cars.

This transit initiative also represents the kind of thoughtful, aggressive leadership on a major metropolitan public-policy issue that the League repeatedly has urged on the Council, and that has been notably lacking in recent years.

But assuming final Council approval next month, the proposal still faces major obstacles.

One critical question is whether some elected officials and public agencies will put aside their old preoccupation with one kind of hardware and concentrate instead on the most cost-effective ways to lure the largest number of auto drivers into transit.

Another is whether, when push comes to shove, we truly support transit enough to dedicate *enough* freeway lanes with excess capacity today (such as I-94 east of downtown St. Paul and north of downtown Minneapolis) to buses and car pools, and to add *new* transit-only express lanes in other locations. "We" in this case means the Legislature, Met Council, Minnesota Department of Transportation and a whole lot of solo car drivers.

Equally troublesome will be deciding how to pay for better transit. Any improvements in bus service, much less the significant additions proposed, mean higher operating expenditures. Even one light-rail transit line means major capital spending—something on the order of 10 Metrodomes, for example. And finding even modest amounts of additional money at a time when the state budget already is badly strained will be difficult, indeed.

So that's the challenge. If we're serious about transit, about avoiding more and more auto congestion, and about providing rides for people who don't drive or own cars, we'll adopt the kinds of improvements the Council's transit initiative recommends—and we'll find a way to pay the bill.

Pete Vanderpoel is the Citizens League's communications director.

program contribute more to the pool than they receive, yet in general these cities still have the highest C-I tax bases per capita. The cities over 9,000 population with the highest C-I tax bases per capita before contributing to the pool are: *Eden Prairie*, \$985; *Golden Valley*, \$934; *Arden Hills*, \$883; *Bloomington* \$860; and *Minnetonka*, \$856. These cities remain in the top six wealthiest (in per capita C-I tax base) *after* sharing tax base.

Because they have the greatest wealth, these cities are among those making the largest net contributions on a per capita basis to the pooled tax base. The five cities

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Tax base

Continued from page 2

(over 9,000 population) making the largest net contributions per capita are: *Eden Prairie*, \$283; *Minnetonka*, \$235; *Arden Hills* \$196; *Golden Valley*, \$196; *Plymouth*, \$173; and *Bloomington*, \$171.

Most communities in the metropolitan area (150 of 187) receive more from the pool than they contribute. These cities have less wealthy C-I tax bases than those making net contributions. The communities (over 9,000 population) with the smallest C-I tax bases per capita before sharing tax base are: *Champlin*, \$47; *White Bear Township*, \$77; *Prior Lake*, \$82; *Andover*, \$100; and *Robbinsdale* \$120. Even though these communities' tax bases are enriched by the tax-base sharing program—up to four times more than their original C-I wealth on a per capita basis—they remain at the bottom of the scale of C-I tax base per capita even after receiving their distribution.

Cities of 9,000 or more population with the largest per capita net distribution from the pool in 1992 are: *South St. Paul*, \$167; *Champlin*, \$150; *Columbia Heights*, \$130; *North St. Paul*, \$127; and *Ramsey*, \$120.

Besides reducing tax-base dispari-

ties, the law helps level the C-I tax rates from city to city. It provides that a portion of all C-I property be taxed at a *regionwide tax rate*. The remaining portion of this property is taxed at the local rate, determined by the cumulative levies of the city, school district, county, and miscellaneous taxing jurisdictions. Because of the regionwide rate, business tax rates in cities with higher-than-average tax rates are somewhat lower than they otherwise would be and conversely, C-I tax rates in cities with below-average rates are somewhat higher.

Because of changes enacted by the 1991 Legislature, South St. Paul contributed to the pool for the first time in tax year 1992. In the original law passed in 1971, legislators exempted South St. Paul from contributing, even though it received a distribution.

Another change made any community that excludes C-I development ineligible to participate in tax-base sharing. Only one city, Sunfish Lake, was affected by this change for 1992. One other community, Dellwood, was found to exclude C-I development but was not deemed ineligible, because doing so would have rewarded the city when it had no intention of attracting C-I development on its own.

Legislators also modified the distribution formula to take into account the value of mobile homes and other personal property. Previously, such homes had been ex-

cluded, making some cities with large numbers of mobile homes appear poorer in tax base than they actually were.

Rep. Bill Schreiber, IR-Brooklyn Park, chairs a House of Representatives task force on the fiscal disparities law that has been meeting during the legislative interim. The task force heard testimony on the pros and cons of the law and intends to prepare a package of recommendations for the 1992 Legislature, likely focusing on differen-

ces in assessment practices that may skew communities' contribution levels, according to Schreiber.

Data on tax-base sharing for metropolitan communities with populations under 9,000 are available from the Citizens League office (338-0791).

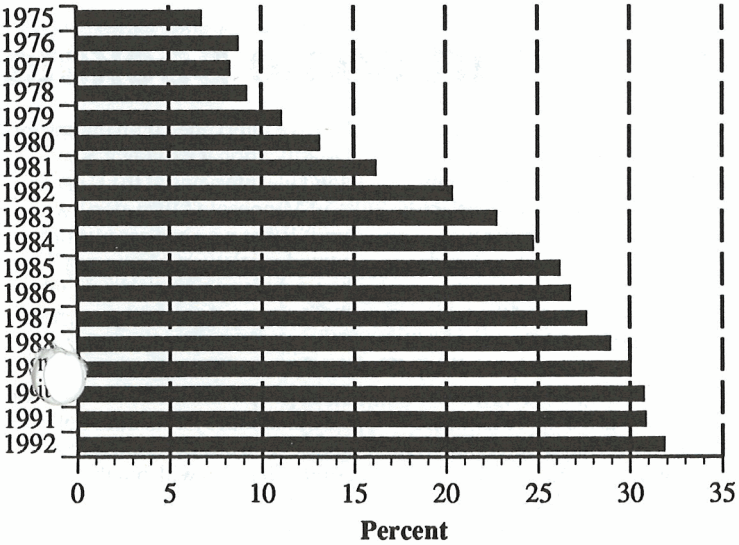
Jody A. Hauer is a research associate at the Citizens League and associate editor of the Minnesota Journal.

COMMERCIAL-INDUSTRIAL VALUATION PER CAPITA BY COMMUNITY

COMMUNITY (Above 9,000 Population)	1991 TOTAL WITH SHARING*	1971-1991 GROWTH WITH SHARING**	1971-1991 GROWTH IF NO SHARING***
Andover	\$210	\$206	\$ 96
Anoka	341	275	157
Apple Valley	226	217	133
Arden Hills	686	568	764
Blaine	359	347	278
Bloomington	688	538	709
Brooklyn Center	532	437	479
Brooklyn Park	313	295	226
Burnsville	513	434	507
Champlin	197	193	42
Chanhassen	244	228	231
Chaska	428	403	414
Columbia Heights	267	214	84
Coon Rapids	297	279	179
Cottage Grove	297	249	139
Crystal	286	237	126
Eagan	558	521	660
Eden Prairie	702	673	956
Edina	570	393	540
Fridley	529	398	431
Golden Valley	738	513	709
Hastings	309	268	161
Hopkins	485	348	355
Inver Grove Heights	354	324	294
Lakeville	298	283	228
Maple Grove	272	263	213
Maplewood	621	459	553
Mendota Heights	469	411	544
Minneapolis	543	380	404
Minnetonka	622	585	820
Mound	219	182	89
Mounds View	325	310	218
New Brighton	308	272	218
New Hope	434	370	359
North St. Paul	272	242	115
Oakdale	262	250	147
Plymouth	565	527	700
Prior Lake	182	175	75
Ramsey	240	233	114
Richfield	282	214	118
Robbinsdale	237	196	79
Roseville	664	499	645
St. Louis Park	511	357	401
St. Paul	403	279	185
Savage	324	262	213
Shakopee	549	487	613
Shoreview	249	240	200
South St. Paul†	352	254	87
Stillwater	328	291	251
Vadnais Heights	374	362	390
West St. Paul	359	304	266
White Bear Lake	277	251	161
White Bear Twp.	175	165	67
Woodbury	278	253	235

* The 1991 value is from the 1990 assessment year. The law provides for a one-year lag in the contribution value. Excluded is C-I value in tax-increment districts established before 1979.
** This column shows the growth in C-I tax base per capita including the shared tax base.
*** This column shows what the growth in C-I tax base per capita would have been without sharing base.
† South St. Paul's contribution — its first ever — resulting from a 1991 law change, was 40 percent of its C-I growth since the 1989 assessment year.

PERCENT OF COMMERCIAL-INDUSTRIAL VALUE IN SHARED POOL FOR TAXES PAID IN 1975-1992



Editors give mixed reviews to Northwest deal

Duluth News-Tribune said (Dec. 17) legislators “did the right thing” in approving financial assistance to Northwest Airlines. **Hibbing Tribune** called it (Dec. 16) a risk “well worth taking,” and **New Ulm Journal** called (Dec. 18) the vote wise. **Star Tribune** said (Dec. 17) the aid package was “in Minnesota’s best interests.” **Pioneer Press** said (Dec. 17) the state must “persuade a doubting public that an investment in Northwest...was a worthwhile exception to the state’s economic development policies.” **Bemidji Pioneer** called (Dec. 20) the agreement “a sound one for both Northwest and Minnesota.”

Mankato Free Press said (Dec. 18) even though the final package was slightly improved, it still held “unacceptable risk for taxpayers.” **Brainerd Dispatch** called (Dec. 17) Minnesota the “land of 10,000 Santas” and said state residents would all be Santas “left holding the bag if Northwest Airlines fails.” **Princeton Union-Eagle** said (Dec. 19) the deal was “badly flawed” and predicted the Legislature’s action would “come back to haunt.”

Forum (Fargo Moorhead) said (Dec. 30) Minnesota should help preserve the 500 jobs represented by the failed turkey processing plant in Detroit Lakes without providing unfair competitive advantages. **Bemidji Pioneer** said (Dec. 29) the state should not rush in to “support a faltering industry” in Detroit Lakes. **West Central Tribune** said (Dec. 31) the answer lies with consumers and urged people to “eat more turkey.”

The Minnesota Journal
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On Balance

Opinions were frequently flying in newsrooms around the state.

St. Cloud Times said (Jan. 4) Minnesota’s case-by-case approach to job development displays “a knee-jerk mentality” and urged the Legislature to improve the tax structure and workers’ compensation system. **Brainerd Dispatch** said (Dec. 6) Gov. Carlson’s job creation package should feature workers’ compensation reforms and business property-tax reductions. **Star Tribune** questioned (Dec. 30) the Coalition of Minnesota Businesses’ contention that the state’s level of public spending and taxation adversely affect the business climate.

Pioneer Press said (Dec. 20) the court decision finding parts of Minnesota’s school financing unconstitutional should push the state even faster toward more equitable funding. **Rochester Post-Bulletin** said (Dec. 23) the ruling turns “school financing upside down” and warned people to be prepared for a long period of legal uncertainty. **Union-Eagle** said (Dec. 26) the ruling forces study of many options including a centralized state property tax system. **Forum** said (Dec. 22) it opens the door for a financing system that is much more equitable. **New Ulm Journal** said (Dec. 22) the Legislature shouldn’t wait for the appeal process, but begin now to create a better financing system. **Free Press** called (Dec. 20) the ruling “good for our rural areas.” **Star Tribune** said (Jan. 12) the ruling will “correct for the second time in Minnesota history an educational funding system fallen out of balance” and called for new

education dollars and “streamlined organization.”

St. Cloud Times urged (Jan. 5) the Legislature to allow Minnesotans to have the final word on the death penalty. **Star Tribune** said (Jan. 3) Minnesotans have rejected government by initiative and referendum and that elected officials ought to continue to exercise judgment on this issue. **Duluth News-Tribune** said (Jan. 7) “it’s not unreasonable to seek a public vote” on this issue. **Free Press** called (Jan. 6) capital punishment “a non-deterrent,” “racist,” and “simplistic.” **Pioneer Press** called (Jan. 7) putting this issue on the ballot a “feckless style of governing.”

St. Cloud Times said (Dec. 22) the proposal for regional bargaining of teacher compensation gives “undue power to one segment of the population” (teachers). **Red Wing Republican Eagle** called (Dec. 26) regional salary bargaining “contrary to the heart of local control.” **Post-Bulletin** said (Dec. 24) regional bargaining would “create substantially higher costs.”

Star Tribune said (Dec. 22) reforming the local government aids formula “should be the first item on the agenda” when trimming of the state’s budget begins this year.

Republican Eagle said (Jan. 7) “gerrymandering disenfranchises voters” and urged the Legislature to turn redistricting over to a third party. **St. Cloud Times** agreed (Dec. 27).

Worthington Daily Globe supported (Dec. 9) bringing action on a presidential primary to “mediate halt.” **Union-Eagle** said (Jan. 9) the primary law will be ineffective unless it is amended to preserve voter privacy. **Star Tribune** urged (Jan. 8) the Legislature to keep the primary. **Hibbing Tribune** said (Dec. 19) the Legislature should make the primary binding on the parties, should allow people to vote without party identification, and should fund it from state coffers. **St. Cloud Times** urged (Jan. 1) the Legislature to scrap the current primary law and develop a new one for 1996. **New Ulm Journal** called (Jan. 9) the presidential primary “a waste of taxpayer money.” **Star Tribune** called (Jan. 12) on the Legislature to approve a mail-in primary ballot and to maintain the requirement that voters in the primary make known their party preference.

Bemidji Pioneer said (Jan. 3) raising the state’s gasoline tax is the “wrong way” to raise transportation funds and said legislators should earmark motor vehicle excise taxes for this purpose.

Star Tribune supported (Dec. 26) a Metropolitan Council plan giving priority to multioccupancy vehicles as “far more likely to produce results” for transit than preoccupation with light rail. **Pioneer Press** called (Dec. 19) the plan “more realistic, effective and affordable” than an earlier proposal for a \$1.6 billion LRT system.

Daily Globe recommended (Jan. 7) permanent revocation of drivers’ licenses following one drunken-driving conviction.

Health solution will hurt some pockets

Edited excerpts from remarks by Rep. Paul Ogren, DFL-Aitkin, chair, House Tax Committee, at Citizens League meeting Dec. 10.

Ultimately resolution that means anything to Minnesotans in terms of the affordability of quality health care is going to take away somebody’s market share, is going to hurt somebody’s back pocket. And any resolution that does not do that obviously isn’t genuine. There is no magic here.

Approximately 16 percent of Uni-

versity of Minnesota Medical School graduates are primary-care doctors. Those are pediatricians, obstetricians, gynecologists, internists, family-practice doctors. They’re the people who provide the care that 95 percent of the people need 98 percent of the time. The University of Minnesota will graduate 84 percent specialists, all of whom will make a lot more money and drive the cost of care absolutely through the ceiling. The State of Minnesota subsidizes that public medical education to the tune of at least two thirds.

Can we intervene? If an inappropriate education is driving it, why don’t we intervene at the University of Minnesota? Why don’t we say, “What we need are primary-care physicians in Minnesota.”? Instead of paying two thirds, why don’t we pay them 100 percent of the cost of their medical education? And why don’t we say those people inclined to be paid our health system does not need, “You are welcome to become what you will, but the State of Minnesota will not be subsidizing you.”?



Citizens League Matters

January 21, 1992

News for Citizens League Members

Welcome new members

- Babette Apland
- Debbie Baumgarten
- Mame Beihoffer
- Patricia Borchert
- David Bradshaw
- Bernardine Bryant
- Ann Bystrom
- Connie Cobb
- Walter Cooney
- Terri Cope
- Leigh Countryman
- Marilyn Doyle
- Luann Dummer
- Karen Gochberg
- Banning Hanscom
- Dennis Hayden
- Doug Hennes
- Bob Johnson
- Richard Johnson
- Nancy Kelner
- Susan Klaseus
- Leslie Kraus
- Martha Kvanbeck
- Kim Lapakko
- Nan Lightner
- Michael Lilja
- Jennifer Martin
- James McCarthy
- Paul Mielke
- Dave Moore
- Shirley Moore
- Gene Muchow
- Vernon Nordaune
- David Olson
- Michele Potts
- Katherine Price
- Marcia Reiter
- Lizabeth Reyer
- Vernon Rowen
- Claudia Ryan-Mosley
- Kathryn Taaffe
- Linda Taylor
- Beatrice Thacher
- Robert Thacher
- Charles Thomson
- David Vail
- Garrett Vail

February dinner to commemorate service of Curt Johnson and Stephen Alnes

Event will feature memories, music, and merriment

Reserve the evening of Wednesday, February 12 to join the Citizens League in honoring the contributions of former executive director **Curt Johnson** and former *Minnesota Journal* editor **Stephen Alnes**. Johnson stepped down as executive director on December 1, after leading the organization for the past 11 years. Alnes resigned as editor following the December 1991 issue, having served in that position for the past eight years.

Chuck Neerland, former League president and Board member, and **Becky Malkerson**, 1991-92 League president, will co-host the event, which will run from 6:00 - 9:00 p.m. and include a cash bar, dinner, and a program to recognize Johnson and Alnes.

Throughout the evening, those who attend will have the chance to play *Citizens League Jeopardy*, a version of the original game that

invite their spouses and friends. The event will take place at the Town & Country Club, at 2279 Marshall Avenue in St. Paul. The cost is \$25 per person. In addition to this notice, all League members will receive a mailed invitation to the event. You may call 338-0791 by February 10 to reserve your attendance.



Johnson



Alnes

features public affairs trivia. The *Better Than Nothing Dirt Band*, with Steve Alnes on saxophone, will perform during the cocktail hour.

The event is open to all—League member or not—and promises to emphasize *fun*. Citizens League members are urged to attend and to

Persons who wish to make a contribution toward a gift in honor of Curt Johnson and Steve Alnes may do so by sending a check to the Citizens League, 708 S. 3rd Street, Suite 500, Mpls., MN 55415.

The League’s Marketing and Communications Committee, chaired by **Jane Gregerson**, is planning the commemoration.

Mondale Policy Forum to focus on media in politics

What role the media play in the shaping and telling of American politics will be the theme of a conference held by the Mondale Policy Forum of the Humphrey Institute of Public Affairs, in cooperation with the Citizens League, Minnesota Wellspring, the Society for Professional Journalists, and the Silha Center for Media Ethics and Law. Scheduled for **Thursday and Friday, February 6 and 7**, the forum will feature people from around the country who either

prepare politicians to deal with the media, work for the media covering politics, or think about those who do.

Among others, the forum will feature **Jody Powell**, CEO of the public affairs firm Powell Tate and former press secretary for President Carter; **Susan Spencer**, White House correspondent for CBS News; **Norman Ornstein**, a political scientist and resident scholar in the American Enterprise Institute; **Linda Wertheimer**, host

of *All Things Considered* on National Public Radio, and **Tom Oliphant**, columnist in the Washington bureau of the *Boston Globe*.

The forum will run from 8:30 to 3:30 on the 6th and conclude with a breakfast from 8:00 to 10:00 a.m. on the 7th; the cost is \$50 for the first day and \$15 for the second. Citizens League members will receive a flyer describing the forum in more detail. For registration materials call 625-0576.

Changing ethics in government: What is needed to encourage active, effective citizen democracy?

Are low voter turnouts and caucus participation indicative of apathy—or a sense of irrelevance? Some observers suggest the public is not disinterested, but to the contrary, is very concerned with its civic duty but feels it has been shut out of the political process. What can turn this around?

This is the focus of a two-hour forum on ethics in government, **Friday, February 28**, co-sponsored by the Citizens League, Common Cause, League of Women Voters, Notre Dame Club of Minnesota, and the Women's Consortium.

Scheduled for 7:00 to 9:00 p.m. at the College of St. Catherine, the forum will feature the following invited panelists: U.S. Sen. **Paul Wellstone**, DFL; Congressman **Jim Ramstad**, IR; state Sen. **Larry Pogemiller**, DFL-Minneapolis; state Sen. **Pat Pariseau**, IR-Farmington; **Jean Harris**, Eden Prairie City Council and former candidate for lieutenant governor; and **Betty Wilson**, former political writer for the *Star Tribune*.

League members will receive a flyer and registration materials.

Mind-Openers look at school referend

The ruling by Wright County District Judge Gary Meyer that declares unconstitutional certain elements of Minnesota's school finance system--debt service levies and excess levies--is the focus of the current Mind-Opener breakfast series.

At the January 21 Mind-Openers breakfast, two superintendents, **R.J. Rehwaldt**, Rosemount-Apple Valley-Eagan School District, and **Ray Smyth**, Edina School

District, will describe what effects the ruling could have on their districts.

Completing the Mind-Opener series on **January 28**, Rep. **Jerry Bauerly**, DFL-Sauk Rapids, will discuss the ruling's implications for the Legislature. Rep. Bauerly is the vice-chair of the Education Finance Division of the House Education Committee.

Call 338-0791 to register.

League members respond to appeal

In one of the most successful end-of-year drives ever, League members made over 145 contributions to the League, totalling nearly \$12,000. More significantly, the amount of the average contribution nearly doubled, going from a three-year average of \$41 to \$81 this year. Hearty thanks to all members who gave!

Citizens League Calendar at a Glance: January 20-February 14, 1992

20 MONDAY Martin Luther King Day Health Subcmte. 4:00-6:00 p.m., Thresher Square Bldg., Mpls.	21 TUESDAY Mind-Opener 7:30-8:30 a.m., Central Lutheran Church, Mpls. Elective Office Cmte. , 5:15-7:15 p.m., MN Dept. of Health, Mpls.	22 WEDNESDAY Government Services Cmte. , 6:00-7:30 p.m., Lurie, Besikof, Lapidus Education Center, Mpls.	23 THURSDAY Health Subcmte. 3:30-5:30 p.m., Thresher Square Bldg., Mpls.	24 FRIDAY Community Information Cmte. , 7:30-9:00 a.m., U.S. West Community Link office, St. Paul
27 Health Subcmte. same time and location	28 Mind-Opener , same time and location Elective Office Cmte. , same time and location	29 Government Services Cmte. , 4:30-6:30 p.m., same location	30	31
Feb. 3 Health Subcmte. same time and location	4 Mind-Opener , same time and location Elective Office Cmte. , same time and location	5 Government Services Cmte. , 4:30-6:30 p.m., same location	6 Mondale Policy Forum on media and politics. Call 625-0576 for more information.	7 Community Information Cmte. , 7:30-9:00 a.m., U.S. West Community Link office, St. Paul
10 Lyle Wray's first day as League executive director	11 Mind-Opener , same time and location Elective Office Cmte. , same time and location	12 Curt Johnson/Steve Alnes Recognition , 6:00-9:00 p.m., Town and Country Club, St. Paul	13	14 Happy Valentine's Day

Health

Continued from page 1

Community, will more likely agree on strategies to resolve the fundamental problems of our health care system once we agree on the values on which it should be based.

Why Focus on Values?

A well-defended and agreed-upon framework of values should explicitly lead health care reform for a variety of reasons:

● The American experience makes clear that without a guiding framework of explicit values, our health care policy has been incremental, piecemeal, and reactive and thus has failed to resolve the system's fundamental problems.

● Health care systems based on explicit, highly publicized values (such as Canada's system) more effectively provide affordable, quality health care to all.

● Explicit values can be a rallying point for building consensus for health care reform.

● Placing values at the forefront of health care reform better enables the public to hold policymakers accountable for assuring that health care policies promote, and do not detract from, underlying values.

● An explicit values framework can function as a "yardstick" to evaluate proposals for health care reform, providing a perspective for analysis and criteria for comparison.

What Values Should Guide Reform?

The framework of values underlying our health care system since World War II includes *professional autonomy*, *patient autonomy* to initiate care and participate in treatment decisions, *consumer sovereignty* in the health care market, health care professionals' *advocacy* of their patients' interests, *access* to care, and assurance of *quality* care. This framework is no longer appropriate: it is overly individualistic, excludes important community-oriented values, gives undue weight to professional autonomy, and wrongly subordinates fair access to other values. Policies based on the current framework have failed to address the interrelated problems of inadequate ac-

cess, high cost, and unknown quality.

A new values framework, reflecting a new blend of ethical priorities, is needed to serve as the moral foundation of our health care system and to guide health care reform. As outlined below, the new framework should include essential values—those fundamental to a health care system—and instrumental values—those that function primarily to help achieve and promote the essential values. Each of the essential values should be maximized to the degree possible without threatening any other essential value. And some instrumental values may themselves be values that a health care system should pursue and implement where possible, but not at the expense of any of the essential values.

Essential Values	Instrumental Values
Fair Access	Personal Responsibility
Quality	Social Solidarity
Efficiency	Social Advocacy
Respect for Patients	Provider Autonomy
Patient Advocacy	Consumer Sovereignty
	Personal Security

The new framework preserves what is useful about the current one but incorporates several fundamental changes: (1) reversing the traditional balance between autonomy and access and (2) adding several community-oriented values.

In reprioritizing the values, the framework establishes fair access—defined as universal access to an adequate level of health care—as the preeminent value. Fair access should be first among equals. Everyone ought to have access because of health care's special importance in promoting personal well-being; relieving pain, suffering, and disability; and preventing premature death.

Historically, the tension between fair access and autonomy (reflecting the classic confrontation between justice and freedom) was usually resolved in favor of auto-

my. For example, physicians were free to choose any specialty or to work wherever they chose without regard to the health care needs of the community. Under the proposed framework, the conflict would usually be resolved in favor of fair access instead.

Individual freedom (of individuals and providers) may be restricted if it interferes with assuring access to an adequate level of care for everyone. An individual patient, for example, should not be entitled to every potentially beneficial treatment if it consumes resources to which another patient has a greater claim. And the need for health care services as part of an adequate level of care presents such a greater claim.

The new framework also encourages a shift from individualism toward community. Individualism and personal autonomy have been preeminent in our society. The emphasis on autonomy and individual rights in health care ethics reflects the overwhelming importance of individualism. The needs of the individual have been given priority over those of the community.

However, the singular focus on individual patients and providers, without adequate regard to the values and interests of others, is too narrow. We will not be able to resolve the health care system's problems unless we shift our priorities and bias from an individual-centered to a community-centered view of health and human welfare. The objective is not to get rid of individual autonomy, but to temper the significance of free choice and individualism with concern for the good of the community.

Accordingly, three community-oriented values—social advocacy, personal responsibility, and social solidarity—are added to the proposed framework to help balance our excessive individualism. Social advocacy calls on health care providers to take seriously their obligation to advocate for the needs of underserved people and of society as a whole. Personal responsibility requires that everyone share in the cost of health care, that patients use health care services appropriately and parsimoniously, and that providers and the system and society in general educate and enable people to maintain and improve their health. This responsibility would also motivate people to select efficient plans and providers.

Social solidarity is more complex. It fosters among all citizens a recognition of their social, political, and economic interdependence, as well as a perception of shared ownership, and thereby helps promote a health care system holding the value of fair access preeminent. Social solidarity will help shift health policy in the United States away from its excessive individualism; in fact, its presence in our social value system may be necessary for such a shift to occur.

The proposed framework outlined here should serve as the moral foundation of America's health care system and guide health care policy. It can be a rallying point to build consensus for reform, provide a perspective for analysis and criteria for comparing reform proposals, and be used to hold policymakers accountable for developing and implementing policies that help achieve the framework's values.

Reinhard Priester is a research associate at the University of Minnesota's Center for Biomedical Ethics. This article is based on the Center's recently completed research project exploring the moral foundation of our health care system. The project's final report, Taking Values Seriously: A Values Framework for the U.S. Health Care System is available from the Center.

Prison time

From the Minnesota Sentencing Guidelines Commission's Report to the Legislature, Jan. 1992.

Minnesota adopted a sentencing guidelines system effective May 1, 1980...to ensure uniform and determinate sentencing...

Extensive changes were made in 1989 when the Commission and the Legislature addressed the problem of violent crime...Sentences under the guidelines increased substantially for most violent offenses...

The 1990 sentencing data offers insight into the effects of the (1989) changes...The most profound differences between 1990 and 1988 were with regard to the length of prison sentences. The average prison sentence (for cases falling under the 1989 changes) increased from 37.4 months in 1988 to 46.5 months in 1990.

STARS

Continued from page 1

for video and data transmission as a crucial element of the project—one needed to position the state for future developments in computing and communications. Others hoped that development of STARS would lead to installation of new fiber-optic cable in different parts of the state, improving service to private customers as well as STARS users.

The STARS procurement was unusual for public agency contracts. The contract term was long: at least eight years and as long as 12. The state committed no up-front capital, so any development costs had to be amortized over the term of the contract. Furthermore, the state did not commit to a minimum level of usage, since the Legislature did not mandate agencies to use STARS.

While numerous vendors expressed their early interest in the project, three eventually offered proposals six months later. Two were well-known telecommunications concerns: AT&T and MCI.

The third was MEANS, a corporation owned by many of the independent telephone companies in Minnesota. (MEANS is an acronym for Minnesota Equal Access Network Services.) MEANS enlisted several partners for its proposal, including IBM, US West, and Northern Telecom. A fourth partner was Kiewit, which is building a state telecommunications network for Iowa and owns Metropolitan Fiber Systems, a company that built fiber-optic loops in several downtown areas, including Minneapolis.

During the process of evaluating the proposals, STARS staff calculated what the state would need to charge users for digital, full-motion video. Based on anticipated levels of use, the hourly rate was estimated to be as much as \$300 per site. Thus the cost of an hour-long session transmitted from one technical college to two others would have been as much as \$900. The higher education systems that were the most likely customers found that too expensive. Those systems are now paying a fraction of that amount for their current interactive instructional systems. As a result, that element was deleted from the proposal reviews.



After reviewing the proposals with the help of consultants, STARS staff selected MCI and is now negotiating the terms of the contract. While noting that all proposals were strong, the reviewers gave MCI superior marks for network design and cost, concluding that it offered the least expensive of the three bids. Cost was the most important element in the evaluation, accounting for nearly 75 percent of the points awarded.

Describing the company as a "systems integrator," MCI managers in Chicago and the Twin Cities said it could offer favorable prices because of its ability to bring together the best of current and anticipated technology. MCI does not foresee adding fiber optic in the state, unless needed for specific applications.

At this point, neither of the losing bidders has formally appealed the decision. The proposal by MEANS, according to its president, David Kelley, was hurt by the decision to drop the full-motion video component. To provide that service, MEANS built in costs in other parts of its proposal it could not easily delete.

Given that STARS will not include wideband video capability, what will higher education systems do? Most higher education campuses, particularly the Technical Colleges, already participate in regional clusters which provide full-motion, interactive video instruction. For example, the Mid-Tech network in central Minnesota connects six technical colleges and St. Cloud State University.

However, these networks transmit

analog, not digital, signals. The quality of analog signals can deteriorate over long distances, making it unsuitable for a network serving distant parts of the state. Furthermore, many expect that digital transmission will be needed to keep up with anticipated developments in telecommunications and computing.

Joe Graba, deputy director of the Minnesota Higher Education Coordination Board (HECB), noted that the higher education institutions requested that full-motion video be included in the specifications for the STARS system. One reason for that preference is to avoid resistance to expanded interactive instruction from potential users who might feel compressed video technology is inferior. For example, in compressed video transmissions, movement appears choppy, though improvements in compression technology will improve the quality.

HECB is convening a working group from the higher education community to study where higher education systems go next in developing their telecommunications capacity. The group, which is expected to report in time for the Legislature's budget deliberations in 1993, will re-examine whether a statewide network is needed. If so, what technology should be employed and how many sites in the state should be directly connected? And, if there is going to be a statewide video network, how should it be governed and managed?

STARS is trying to interest higher education systems and others in pilot programs using interactive video. It proposes to test com-

pressed—not full-motion—video. The concept is similar to the compressed video system the University of Minnesota opened between the Twin Cities and Morris campuses. The University plans to add more powerful links to the Duluth and Crookston campuses this year.

Penny Dickhudt, telecommunications coordinator for the state technical colleges, notes that those schools are trying to decide whether to proceed with development of new regional clusters for instruction based on analog transmission or to wait for the results of the STARS digital trials. The technical colleges may also request proposals from private vendors for both digital and analog systems, giving them a chance to compare capability and price.

Rep. Krueger noted that what the state eventually buys through STARS is an important policy question that needs legislative oversight. However, telecommunications policy has no real home in the Legislature. The policy issues represented by STARS are usually presented to the Legislature as appropriation items.

All observers agree that improved technology is driving down the cost of wideband capabilities and that the question of STARS eventually incorporating it is a matter of when and not if. Both the Legislature and the higher education community will have to decide just how much they need and value wideband capabilities.

Allan Baumgarten is associate director of the Citizens League.

Cities

Continued from page 1

These economically perilous times in working together. The rivalries of decades were pushed aside, petty differences of opinion evaporated, and the "Other Minnesota Twins Project" was born.

The two cities are 14 miles apart on I-90. Austin, to the east, had a 1990 population of 21,907. It's the county seat of Mower County, population 37,385. Albert Lea, population 18,310, is the county seat of Freeborn County, population 33,060. Rochester is about 40 miles northeast of Austin. Owatonna is about 35 miles north of Albert Lea on I-35.

The "engagement" of the two cities was revealed at a news conference called by Albert Lea Mayor Marvin Wangen and Austin Mayor John O'Rourke to announce the cities were merging their economic-development efforts. A labor survey of Freeborn and Mower Counties is planned; economic-development leaders are discussing ideas; city and county officials are meeting.

The labor survey is the first priority. Bonnie Rietz, Austin City Council member, said, "Specifically, we want to know who the under-employed are and we want to know those who are interested in changing their employment as well as those who are unemployed. We want to find the talents in the labor pool...to know what kinds of industries and businesses we should pursue. That should help us to match up our resources with the right employer."

George Brophy, CEO and president of Development Corporation of Austin, said he believes there are some immediate prospects of attracting businesses that need data-processing and data-entry workers. The labor survey should reveal how many prospective workers would be available for such enterprises.

Albert Lea's economy may be more diverse than Austin's, but both are largely dependent upon meat packers. In Albert Lea's case, it's Armstead Foods. For Austin, it is the giant meat and food processor, Geo. A. Hormel & Co. The idea is to help keep those two major employers strong while attracting other industries and busi-



The road to growth.

nesses compatible with southeastern Minnesota.

Brophy described the problem: "There are more than 300 major companies at any given time who have the capability and need for expansion. As the same time, there are more than 15,000 economic-development agencies all trying to get them to move to their specific cities. The odds aren't very good for one smaller community, by itself, to recruit a new industry. Clearly, when we bring our resources together, the odds go up dramatically."

Robert S. McCoy, director of Jobs, Inc., and Brophy's economic-development counterpart in Albert Lea, added, "I am not aware of any two communities in Minnesota in similar circumstances who are working together to market themselves as one unit."

Craig Johnson, Austin attorney, said, "We can present ourselves as a bigger community with more potential to seek larger grants as well as jobs. I don't think we need to be overly concerned with where the development is—either Freeborn County or Mower County—as long as there is development in this area."

Brophy said he would like to see the Other Twins Project expanded to include other communities in the region.

The mayors of the two cities cite the nearness of twin arteries, I-35 and I-90, and the quality of life in both cities as major assets to be promoted jointly. The proximity of the cities is also considered a plus.

While pursued with enthusiasm in

both cities, the concept of strength through cooperation is still on its shakedown cruise. The labor survey, as noted, is the first step, and a brochure is being readied. There is talk—but so far no more than that—about the possibility of some kind of tax-base sharing between the two counties along the lines of the Minneapolis-St. Paul metropolitan area's fiscal disparities law.

Under that law, 40 percent of the growth in commercial and indus-

Trends in hospital use

From Trends in Twin Cities Hospital Utilization 1984-1990, *Council of Hospital Corporations*, Nov. 1991.

Inpatient days dropped throughout much of the past decade, producing a steady decline in average length of stay from 6.33 days in 1984 to 5.55 in 1990. Advances in medical technology, the prospective payment system, managed care, and concern over health care costs served to reduce inpatient days.

Twin Cities hospitals exhibited a dramatic 51 percent upswing in ambulatory care, with outpatient visits increasing from 1,521,949 in 1984 to 2,294,459 in 1989. This trend produced a corresponding 15 percent downturn in aggregate staffed bed capacity, from 7,734 beds in 1984 to 6,549 in 1990...

Rising premiums, financial losses on Medicare Risk contracts, and a shift among Twin Cities consumers to alternative health plan op-

trial tax base in the metropolitan area is shared by all of the governmental taxing districts regardless of where the growth occurs.

"We've talked about it," said Mayor O'Rourke, "but that's about all... We know that something like that could be another tool for us to use."

Brophy said, "We want to encourage anything that serves our mutual development interests and the mutual values shared by the two areas. We need something in place, and the fiscal disparities act...could be it. We need some version of this concept, but it has only been discussed at this point. It would, of course, require the approval of all the government entities involved." Mayor Wangen said, "Albert Lea and Austin have to be considered as one community in a lot of ways. Any job opportunities created in Albert Lea or Austin are beneficial to both communities." Mayor O'Rourke was more blunt about the need for joint efforts. "This is long overdue. Anyone who realizes the economic climate we are in knows we have no choice but to undertake such efforts."

Lee Bonorden is a staff writer for the Austin Herald.

tions contributed to reductions in Twin Cities HMO enrollment during 1988-89. In 1990, increased participation among the area's Medicaid recipients returned HMO enrollment to its earlier level...

After annual increases in hospitalizations of 1.0 to 5.8 percent during 1984-87, psychiatry and chemical dependency services experienced downward shifts in discharge volume during the latter part of the 1980s due, in part, to managed care initiatives to control health care costs...Similar to other hospital services, however, outpatient behavioral medicine programs experienced significant growth during this period...

Minnesota showed a steady decline in the rate of infant deaths to a level of 7.1 (deaths per 1,000 live births) in 1989. The metro's inner cities however, recorded levels consistently above those for the state, with Minneapolis at 10.9 in 1989 and St. Paul at 11.2.

Equal access to reach out and touch rural phones

Telephone customers in many parts of rural Minnesota will soon have a choice of long-distance carriers, something Twin Cities area customers have taken for granted for several years. Until now, those users had only AT&T for long-distance service, since other long-distance companies were not interested in going to sparsely populated areas of the state.

Minnesota Equal Access Network Services (MEANS), a joint venture of the independent telephone companies in the state, will gather the long-distance traffic from rural parts of the state and bring it to its switch in Plymouth. There, as many as 14 long-distance companies will move the calls to their national networks. At the end of January, MEANS will "switch over" its first local exchange. By the end of April, all of the 239 offices involved, and their 190,000 access lines, will be switched over.

As for the larger companies, U.S. West customers in outstate Minnesota are gaining equal access as their local offices are modernized. United Telephone is now considering whether to use MEANS as a temporary way of providing equal access to customers of a few of its rural offices. —Allan Baumgarten.

Rep. Paul Ogren, DFL-Aitkin, chair of the Minnesota House Tax Committee, who was told at a recent Citizens League meeting that he's a valuable public servant who should remain in office, had the following frank—and rather surprising—response:

"Twelve years, if you invest your heart and soul, is a long time (in the Legislature). I serve with a lot of people who have served for too long...in both parties. I don't want to be one of those people. I ran because I had ideas, things that I wanted to implement...I am not going to publicly advocate term limitations, but I think part of the vitality of the process is lacking today because people just hang around—they just hang around, and I'm not going to do that."
—Pete Vanderpoel.

Some Minnesota postsecondary education systems' requirements for entering freshman are much more extensive than the state's high school graduation requirements, according to a House of Representatives Research Department comparison.

Take Note

Public policy items that might make you want to phone home.

For instance, although the state board of education requires no foreign language study for high school graduation, the University of Minnesota and private colleges require two years of a foreign language for entrance, and the state university system requires three years of study from at least two of these subjects: world language, world culture, or arts. High school students must complete one credit each of math and science to graduate; yet the University of Minnesota, state universities, and private colleges all require two years each of science and math, including geometry and algebra specifically.

The state board of education is in the process of amending the rule governing graduation requirements to measure outcomes and student competencies; under the change, students would have to demonstrate certain competencies before graduating.
—Jody A. Hauer.

To avoid a possible challenge of its tax-exempt status, Medica (the new name for PHP and Share) has resumed using a subsidiary insurance company for underwriting part of its point-of-service HMO plan. Such plans allow enrollees to use providers outside their network with some additional cost-sharing. Minnesota HMOs are among the most enthusiastic marketers of those plans, which cover about one third of Minnesota's 1.1 million HMO enrollees.

Until the Legislature changed the law in 1989, HMOs offering those plans had to provide the supplemental benefit through an insurance company, submit the plans to separate reviews by the state Departments of Health and Commerce, and provide separate documents to enrollees. HMOs had lobbied for several years for authority to provide the coverage without using an insurance company.

Medica is concerned about recent memoranda from the U.S. Internal Revenue Service which suggest that the IRS might question the tax-exempt status of Minnesota HMOs that offer supplemental benefits. Nonprofit HMOs (and in

Minnesota all HMOs are required to be nonprofit) are exempt from federal tax if no substantial part of their activities consists of providing commercial-type insurance. However, the IRS might conclude that the supplemental benefits in point-of-service plans are not of a kind customarily provided by HMOs. —A.B.

The Twin Cities' share of the state's population will continue to outweigh that of the nonmetropolitan areas, according to preliminary forecasts of the Metropolitan Council. In 1990 the metropolitan area had 52.3 percent of the state's residents, up from 48.7 percent in 1980, and 39.8 percent in 1950. By the year 2000 the metro area will have between 55 and 56.3 percent of the state's population, according to preliminary Council estimates. —J.A.H.

Minnesota has the nation's second-lowest proportion of people in state and federal prisons, according to the U.S. Bureau of Justice—70 inmates per 100,000 population, just above North Dakota's 69 inmates. Nevada, at 481 inmates per 100,000 persons, is highest; 32 states have more than 200 inmates per 100,000. As for other neighboring states, South Dakota is highest at 191, Wisconsin has 156 and Iowa 142. —P.V.

Rep. Myron Orfield, DFL-Minneapolis, a freshman legislator who frequently emphasizes his concern about the condition of the central cities and first-tier suburbs,

is pointing out of late that over the last five years the Metropolitan Council has expanded the metropolitan urban services area by more than 15,000 acres (two thirds of it in the last two years). The expansion means extending central sewer service and allowing urban development, he notes critically, in an area almost as large as San Francisco. —P.V.

Two large group-medical practices have forged new connections with managed health care companies in the Twin Cities area. The Aspen Medical Group, which has long been the primary provider for the Share HMO, has now agreed to become part of the provider network for MedCenters Health Plan, as well.

Park-Nicollet Medical Center, the primary provider for MedCenters, recently entered into a contract with Northwestern National Life Insurance, which will offer Park-Nicollet as a provider to groups using NWNL's preferred-provider arrangement. —A.B.

If you think traveling on I-35W in south Minneapolis is a problem today, your memory is poor, according to the Minnesota Department of Transportation (MnDOT). A department spokesman recently told a Minnesota House subcommittee the metering of access on that stretch of freeway has increased average speed from 34 miles an hour before metering to 46 miles per hour today. That makes metering, which is inexpensive, an extremely cost-effective way to increase freeway capacity. Another benefit, said MnDOT, is a 37 percent reduction in accidents, from 3.4 per million vehicle miles to 2.12. —P.V.

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