



JOURNAL

A Public Policy Monthly from the Citizens League



Long-term care reform

Changing attitudes, culture, community, and financing

by Dave Durenberger

Many adults today suffer from the pressures of being a part of the “sandwich generation,” the period in life when worry about the financial burdens of paying for kids’ education and parents’ needs as they age or suffer disabilities like dementia, collides with worry about their own financial security. Our belief that the government will fill the void between what we have and what we need creates a reliance on future entitlement benefits that may not be there when we need them.

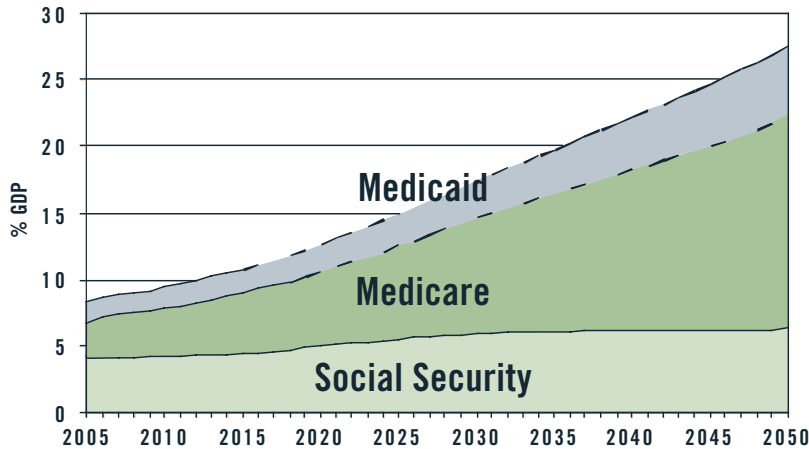
As a nation, we have grown up and aged on a 75-year series of entitlement programs which cannot be financed in the long-run on

75-year-old—or, in the case of Medicare and Medicaid, on 40-year-old—presumptions. Entitlement programs as we know them are not sustainable. Open a newspaper today to articles about government and employer sponsored programs projected for bankruptcy. Why is this happening? The ratio of workers to retirees is shrinking. Couple this with long life expectancies, and our system simply cannot withstand the pressure. Figure 1 illustrates how expenditures on our entitlement programs will grow by a magnitude of three as a percentage of our Gross Domestic Product (GDP) over the next 50 years.

We can do a lot to relieve the burden on the sandwich generation. Changing the entitlement programs, especially long-term care, can relieve the financial

stress on families while improving the quality of care we provide. How we change is the challenge. We need to redesign these programs, build them around national income security policy—which accounts for economic policy, tax policy, private and social insurance policy and public assistance—without leaving anyone behind.

Figure 1: Cost of Entitlement Programs



Source: CBO Long Term Budget Outlook, 2003

Security and long-term care. In 2005, President Bush spoke a lot about privatizing Social Security. While it has not advanced much in Congress, privatization is clearly still on the President’s agenda. We see this reform agenda playing out in the healthcare market through Medicare Advantage (MA). Privatization is also happening in the prescription drug business through programs that combine Medicare Advantage and Part D benefits. In most states, Medicaid is also privatized, administered through managed care companies to help control access. Health Savings Accounts (HSAs) are just the latest and fastest growing example of the GOP’s attempt to put more benefit control in the hands of the consumer.

continued on page 7

Entitlement reform initiatives

Republicans in the Bush administration and Congress believe this can be done by privatizing both delivery and financing ASAP, and they are doing it with Medicare and Medicaid and propose to do it with Social

INSIDE

2

Connections

3

Viewpoint: Active citizenship offers a common identity for the common good

4

Closing the gap on Minnesota’s affordable housing need

6

Facts Unfiltered: Eminent domain

9

When the press stops covering policy debate

11

Perspectives: Tallying greater Minnesota’s gains after the 2006 session

CONNECTIONS

Building a League of Citizens



On May 11, 2006—Minnesota's 148th anniversary as a state—the chandelier at in the Capitol dome was lit. See the Citizens League website for more pictures of the Capitol (and Citizens League events!).

Register now for our summer policy series!

How will changes in the future—demographics, technology, and access to resources—affect how we get civic work done? How will public policies be made in the future? Will the "public" in public policy be comprised of the same entities in the same ways in 20 years? Join us for our 2006 summer event series: *Where Are We Headed? The Future of Policymaking in Minnesota*

Wednesday, July 12 The Future of Politics: Policymaking and the Coming Demographic Change

Tuesday, July 25 The Future of Education: Redefining Schooling

Tuesday, August 8 The Future of Health Care: Shifting the Focus from Treatment to Prevention

Tuesday, August 22 The Future of the Web and Civic Engagement: What Happens When MySpace Meets Our Space?

All events are at 7:30 a.m. at The Forum at MPR.

Policy and a Pint: Money & Political Campaigns

We all know that politics and money go together. The conventional wisdom says that it takes money to get elected. But does more money always mean a better chance of winning? Is it just about advertising? And is this how we really want things to be, anyway? Join 89.3 The Current and the Citizens League at our next Policy and a Pint when we delve into the relationship between money and elections in America and look at Minnesota's own unique history.

Thursday, July 13. Doors open at 5:30 p.m., program starts at 6:30 p.m.. Varsity Theater, 1308 4th St. SE, in Minneapolis' Dinkytown
Cost: \$10; \$5 for students with valid ID.

More information and registration for all of our events is online at www.citizensleague.net, or call 651-293-0575 ext. 16.

List of new members, donors, and recruiters

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U.S. Bancorp Foundation
UCare Minnesota
University of Minnesota
Extension Service
Way to Grow
Wilder Foundation
Winthrop & Weinstine

Recruiter

Tanessa Greene

Thank you to our volunteer
Cal Clark

Goodbye, Trudy—and hello, Brian!

Thursday, June 15 was a sad day at Citizens League HQ: Trudy Koroschetz—our office manager of almost 12 years—retired. She's looking forward to life at the lake (and she promises that she will still proofread the Minnesota Journal!). We will miss her quick wit, her careful eye to detail, and her deep knowledge of the history and values of the Citizens League. Brian Bell will take over as office manager for the summer; look for a job announcement this fall.



Active citizenship and diversity

The common identity we need to find uncommon solutions

by Sean Kershaw

Looking down at the bumper stickers on my car, my friend Sara got an amused and confused look on her face. As she scanned decals for the Denver Broncos, the Strategic Air Command, Norm Coleman, Radiohead and Rainbow Families, she shook her head and smiled: “You need to make up your mind. I have no idea who you are.”

We can all claim diverse identities around race/ethnicity, gender, religion, political ideology, policy interests—and even music. But as Minnesota’s public policy problems become more complex, and as the identities of Minnesotans continue to multiply, the need for a common identity becomes more important than ever. We need an identity that includes what’s important in our lives, that transcends our diversity, and that still makes it possible for all of us to work for the common good.

Active citizenship is that identity.

Defining active citizenship

The Citizens League has endorsed active citizenship as one of our fundamental principles. As I continue to talk about the meaning and implications of these principles, I believe active citizenship can help us deal with the most important policy challenge of our time: developing and implementing effective policy solutions in a Minnesota that is increasingly diverse.

The Citizens League defines active citizenship as the right and the responsibility to govern for the common good. We’re all obligated to practice active citizenship—to govern—in the places where we spend time: in the roles we assume in our families, workplaces, communities, schools, etc. We’re active citizens in education when we recognize the role of our kids’ schools in closing the achievement gap for all students. I’m an active citizen in healthcare when I recognize the connection between the number of Oreos I eat in one sitting and an equitable healthcare system for others. Active citizenship is the shared identity that allows us to create the common ground in our new tag line.

Active citizenship is the shared obligation that allows us to achieve the common good.

Our current conversations about diversity and active citizenship are insufficient. First, diversity without a shared identity is like self-interest without enlightened self-interest. It’s a start, but isn’t sufficient for our democracy. Second, we need solutions to complex policy challenges that recognize the limits of government and regulation. Our policy proposals must recognize the need for all citizens and institutions to be involved in creating those solutions. Active citizenship is the shared obligation that allows us to achieve the common good.

Diversity done wrong

I’m confused by the bumper sticker “Celebrate Diversity.” I’ve personally led dozens of diversity awareness sessions. This consciousness-raising too often devolves into victim/oppressor arguments and us/them solutions that are ineffective. (And this definition of diversity is rarely meant to include other diverse interests: political conservatives, Christian evangelicals, or people who disagree with the premise of the conversation.) I’d rather celebrate the common agenda and identity we build given our diversity.

Understanding the real suffering of disadvantaged communities is a necessary part of remedying injustice, and we absolutely need participation from diverse communities and interests to work on any problem. But we’re not going to create solutions to our public policy challenges, like providing services for retired (mostly white) adults, if our identity and obligation is only as young (increasingly diverse) families; or tackle the challenges in educational and economic achievement for these diverse families if our identity and obligation is

only as Scandinavian seniors. We need a common obligation to each other and to the future. Active citizenship provides this.

Diversity done right

Diversity is an essential means to good policy work. Diversity in interests, ideologies, race/ethnicity, experiences, and in institutional roles is the necessary starting point in all policy work. Unless the diverse stakeholders impacted by a problem help to define and solve the problem according to a common set of democratic principles, we’ll continue to develop ineffective and unsustainable policy solutions.

Our Medical Facilities Study Committee provides an example of active citizenship and diversity that worked. The participants came to the table with diverse and conflicting interests as community members, patients, hospitals, physicians, and clinic owners and then focused on a shared identity. The committee used their diverse perspectives to build an innovative and effective policy solution, and saw their institutions as part of that. The committee’s recommendations involve patients and consumers in solving the problem—not just government.

Policy work is rarely as structured as these committees. It is going to be an enormous challenge for the Citizens League and all of us to redefine the role we all have as individuals and institutions in finding solutions to Minnesota’s policy challenges. But better solutions demand a better model—a model that assumes we have the capacity and the obligation to implement solutions in the places that matter to us. Ultimately, this is also more rewarding because we can each make a difference.

A better bumper sticker

Sara was right. My car needs an additional bumper sticker. The next one will simply say Active Citizen—or perhaps Celebrate the Common Good. ●

Sean Kershaw is the Executive Director of the Citizens League. He can be reached at skershaw@citizensleague.net or 651-293-0575x14.



Achieving homes for all

Closing the affordable housing gap in Minnesota

By Baris Gumus-Dawes

An adequate supply of affordable housing is an essential component of stable, self-sufficient families, strong communities, and a healthy business environment. The presence of a range of housing options creates opportunities for people to hold steady jobs, pursue education, and contribute fully to their communities. It also enhances the ability of businesses to attract and maintain a skilled labor force at a reasonable cost and fosters economic growth.

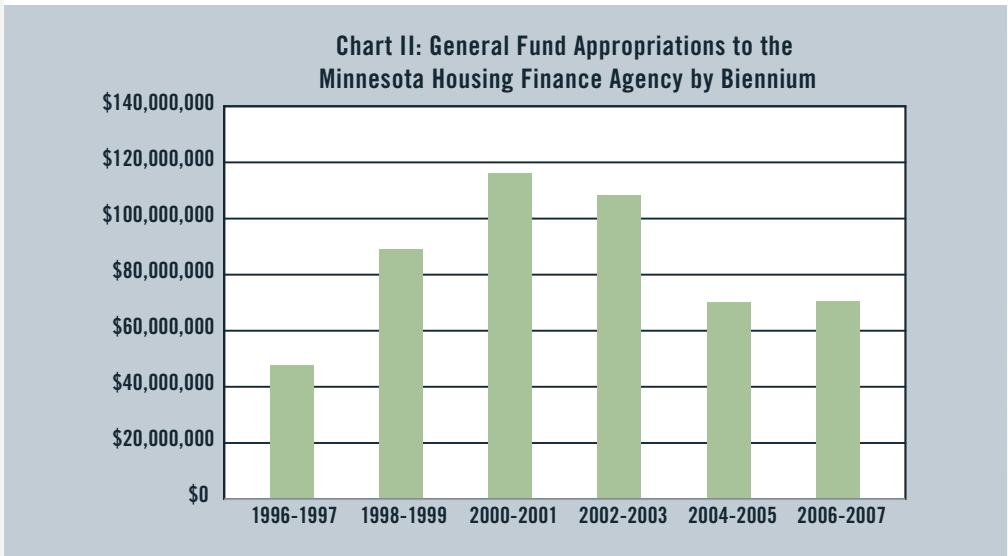
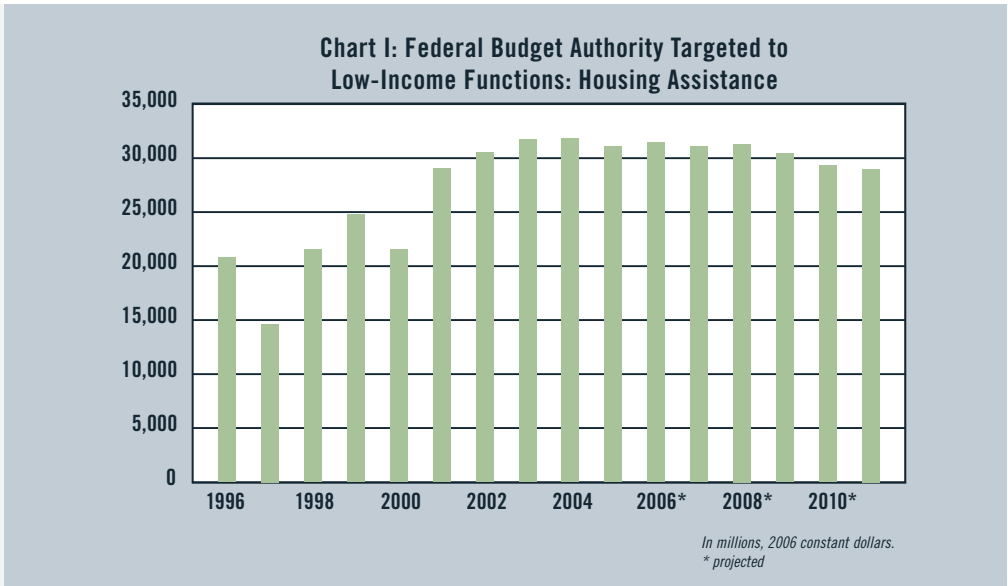
But Minnesota is not meeting its affordable housing need currently, and will not be able to do so in the foreseeable future. What lies at the heart of the matter is declining affordability. Nearly 195,000 households in Minnesota spend more than half of their income on housing: 1 out of every 10 households. Perhaps more surprising, the number of Minnesotans burdened with excessive housing costs is growing at a remarkable pace. Between 2000 and 2004, the number of cost-burdened households increased by 52 percent, from 22.6 percent to 36.2 percent. This is the fastest growth in cost-burden in the nation—perhaps the only Minnesota “first” that we cannot take pride in.

What drives declining affordability?

The main factor driving declining affordability is the growing gap between incomes and housing costs. From 2000 to 2004, median household income in Minnesota declined nearly 3 percent in real dollars while median home sales prices increased nearly 30 percent in real dollars.

A number of supply-related factors also exacerbate the affordability problem. Minnesota is not producing new housing at a fast enough pace, nor producing it in a wide enough price range. Rising land costs and insistence on lower-density housing increase the cost and limit the number of new housing units. Meanwhile, demolitions, the conversion of affordable housing units to market rate units and condominiums, and the closure of mobile home parks continue to threaten the state’s existing affordable housing stock.

Another factor contributing to the decline in affordable housing is location. In many instances, the uneven distribution of affordable housing forces Minnesotans



to choose between affordable housing and a shorter commute. Those who want to live closer to good schools and jobs are forced to assume housing expenses that exceed a reasonable percentage of their income. Those who opt for affordable housing are forced to accept high transportation costs that take valuable resources from already tight budgets.

Funding for the development of affordable housing also has not kept pace. The development costs of affordable housing projects usually exceed what developers can commit. This creates a substantial funding gap that is generally filled by federal and state money and by a variety of

local and charitable contributions. As building and land costs continue to accelerate in Minnesota, this funding gap has more than doubled in the last decade.

While the need for subsidies more than doubled, state and federal funds have remained largely static. The federal government, traditionally the largest contributor to affordable housing, has kept its commitment fairly steady despite rapidly growing need (See Chart I). Similarly, total state allocations for affordable housing have failed to grow at an adequate pace (See Chart II).

continued on page 5

Affordable housing

continued from page 4

In the absence of increased federal and state funding, a decrease in the production of affordable housing is inevitable. The shortage of gap funding remains the primary barrier to expanding the supply of affordable housing in Minnesota. But what exactly is Minnesota's affordable housing need? And what would be the cost of meeting that need?

To answer these questions, Minnesota Housing Partnership (MHP) recently completed a study that quantifies the amount of gap funding that would be required annually to meet the state's affordable housing need. The study, "Achieving Homes for All: Alternative Revenue Sources for Affordable Housing in Minnesota," also reviews the experience of other states that generate significant revenue for affordable housing, identifies Minnesota's existing housing resources, and evaluates the potential revenue sources available to the state.

Housing need in Minnesota

In 2003, BBC Research and Consulting conducted an assessment of affordable housing need in Minnesota. Produced in collaboration with leading housing institutions, BBC's final report, "The Next Decade of Housing in Minnesota," is widely regarded as the definitive study of housing need in the state.

The BBC report quantifies the need for affordable housing in Minnesota from 2000 to 2010 and establishes the unmet need for affordable housing in 2010. The report's findings are as follows:

- 296,740 low-income Minnesota households were living in unaffordable housing units in 2000.
- In 2010, 32,825 additional low-income households will need newly constructed affordable homes, assuming the private market, government, and philanthropic organizations maintain their current contributions to housing production.

In "Achieving Homes for All," MHP used the BBC findings to calculate the financial cost of meeting the state's housing needs. MHP approximated the cost of providing housing assistance to Minnesota households with the most critical needs by

calculating the cost of subsidies required to reduce rents to 30 percent of household incomes. The estimated annual cost of rental subsidies for those with the most critical need amounted to \$396 million.

MHP then estimated the cost of meeting the new construction component by calculating the cost of construction subsidies required to spur the development of new units needed by the nearly 33,000 additional low-income households in 2010. This report estimates the annual amount of new construction subsidies at around \$173 million.

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Together, estimates for housing assistance subsidies and new construction subsidies total approximately \$570 million each year.

This figure is a relatively conservative estimate of Minnesota's affordable housing need. Due to data limitations, it does not include the housing assistance needs of the majority of cost-burdened Minnesotans. More important, the physical need identified by the BBC report does not account for replacement of lost affordable housing, improper housing or overcrowding, housing need due to pent-up demand, and additional housing necessary for creating optimal vacancy rates. Given the conservative nature of this assessment, MHP's financial assessment should be taken as a baseline rather than as a comprehensive estimate.

Addressing the need

MHP's review of several states has revealed an array of strategies for addressing affordable housing needs. Even after taking into account differences in their affordable housing needs, it's clear that several states raise more revenues for affordable housing than Minnesota.

Florida, for instance, raises nearly four times the revenue that Minnesota raises for affordable housing. One-third of these funds come from appropriations. Florida raises the remaining two-thirds by dedicating a portion of its real estate transfer tax to a state housing trust fund—the largest in the nation. The state distributes 70 percent of these funds to local jurisdictions using a population-based formula and retains the remainder to address statewide affordable housing issues.

Massachusetts raises more than twice the revenue generated in Minnesota. Their legislature appropriates more than two-thirds of this revenue, and the remainder comes from various dedicated revenue streams. Massachusetts provides funding for its statewide housing trust fund from its capital budget through general obligation bonds. It also dedicates funding to affordable housing through a multipurpose fund that includes historic and open-space preservation, as well as affordable housing. In this model of state-local collaboration, the state government encourages localities to dedicate a share of their local property taxes to these three purposes by offering a state match from document recording fees.

While there is not one single best strategy for raising revenues, states with a steady commitment to affordable housing tend to dedicate one or more revenue streams to affordable housing. Minnesota currently dedicates interest earnings on real estate brokerage accounts along with forfeited bond issuance application fees and earnings to its state housing trust fund. However, dedicated revenues—\$306,595 in 2004—constitute less than 1 percent of the revenue raised by the state for affordable housing.

continued on page 10

FACTS UNFILTERED

Eminent domain

Each month, Citizens League members and staff collaborate to select a timely policy topic, then ask the important—and sometimes uncomfortable—questions and dig up the answers. Just the facts, unadulterated and unspun.

Questions, comments, corrections? We need more Facts Unfiltered volunteers! If you are willing to roll up your sleeves and dig into the facts, if you have suggestions for a future Facts Unfiltered policy topic—or if you just think we got something wrong—email us at facts@citizensleague.net.

Facts Unfiltered Contributors

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Q. What is eminent domain?

A. Eminent domain is the government's right to take private land for public use. Traditionally, governments have used eminent domain to construct roads, parks, and public buildings. Eminent domain can also be used as a powerful tool to facilitate urban renewal, revitalize slums, and spur economic development by transferring blighted land from one private entity to another. To take property by eminent domain, the government must demonstrate that the taking will be of public benefit. However, advocates of eminent domain reform charge that individual property rights can easily be abused without greater protection from the law.

Q. What has eminent domain been used for in Minnesota?

A. According to a recent survey by the League of Minnesota Cities, eminent domain was used an average of 27 times a year in Minnesota from January 1999 to June 2005 for “redevelopment, removal of a hazardous building, or economic development where land is turned over to a private owner.” The most notable of these projects involved the construction of the Best Buy headquarters in Richfield. When Best Buy proposed the project, the site along Interstate 494 was home to three car dealerships, 67 houses and 83 apartments. While most of the land owners settled before the city invoked the power of eminent domain, Walser Autos, owner of two car dealerships, refused to settle. Walser Autos challenged the takings in court. The takings were upheld in a tie vote by the Minnesota Supreme Court, which asserted that its ability to review condemnations was limited. Opponents of the takings contend that the definition of blight was stretched in order to condemn the dealerships.

Q. What do the Constitution and the Supreme Court have to say about eminent domain?

A. According to the U.S. Supreme Court, eminent domain is a fundamental right of any sovereign state, and therefore does not require constitutional approval. Though this may seem somewhat counterintuitive, the reasoning behind it is this: because governments create, grant, and protect title of property, it is within their power to decide how that property is used.

However, federal and local governments are not given a free hand to expropriate private land. Rather, they are constitutionally bound to provide compensation for any land they claim through the Takings Clause of the Fifth Amendment, which states, “nor shall private property be taken for public use, without just compensation.” The Minnesota Constitution contains similar provisions.

The ongoing question of whether eminent domain should be used for projects that serve a public benefit, even if they are not directly used by the public, is

central to the eminent domain debate. This issue came to a head in the case of *Kelo v. City of New London*. After years of decline, the city of New London was designated a distressed city by the state of Connecticut. In an attempt to revitalize the waterfront, create jobs, and increase tax revenues, the city redevelopment plan called for the taking of about 115 privately owned properties. The city acknowledged that none of the disputed properties were blighted or in otherwise poor condition. The properties would be transferred to other private owners who would build research and development facilities on one part of the disputed land and parking and retail space on another, although the future owners were unknown. While most of the property owners sold their land to the government, nine would not and challenged the city's takings in court.

After the takings were upheld in the Connecticut Supreme Court, the case was heard before the U.S. Supreme Court in 2005. In the Court's opinion, Justice Stevens affirmed that they have long considered “public use” as “for public purpose.” Because of this broad definition, the earlier ruling was upheld in favor of the city of New London, and the construction went on as planned. However, Justice Stevens made sure to remind states that nothing in the case precluded legislators from restricting their own ability to exercise eminent domain.

Q. How will recently enacted legislation affect eminent domain in Minnesota?

A. This May, Minnesota joined 20 other states that have enacted eminent domain reform over the past year. The Minnesota Legislature passed Senate File 2750, which specifically excludes economic development from its definition of public use or public purpose. It also significantly increases the degree of blight necessary for condemnation, and awards a property owner attorney fees if the taking is not for public use or is otherwise unlawful. In addition, when driveway access to a business is limited, resulting in a loss of revenue of 51 percent or more, such losses must be compensated. ●

SOURCES

National Eminent Domain Law

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LMC Survey Finds Cities use Eminent Domain Judiciously
www.lmnc.org/pdfs/EminentDomain/CitiesBulletin113005.pdf

“Public Power, Private Gain: A Five-Year, State-By-State Report Examining the Abuses of Eminent Domain,”
www.castlecoalition.org/pdf/report/states/minnesota.pdf

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Long-term care reform

continued from page 1

My view is that private service design and delivery works, as does consumer and family choice (and, for many, but not for all, personal responsibility). But the current financing system—the stock market and health and long-term care insurance—has proven only that they work for some and not for all because they are not designed to work for everyone. We have not reached the

Long-term care requires more supportive services than medical services. It is about having a roof over your head and the right food on the table.

point yet where the equity markets for social security or the health insurance markets for health, medical and long-term care security have anywhere near the requisite public confidence to move us all out of one fairly secure boat into one that has yet to be tested. As long as this holds true, there will be a role for a social insurance. One area where we can easily enact a new system that combines the strengths of private and social insurance is in long-term care.

Long-term care reforms

Currently, the majority of people who need extensive long-term care, especially nursing home care, will spend down their assets or spend \$70,000 a year on nursing home care and eventually end up on Medicaid. This increases the financial burden on Medicaid while redirecting resources away from its intended beneficiaries—children and the poor. This financing structure has created a system which focuses on treating the symptoms of aging, rather than supporting the process of aging itself. This ultimately leads to low-quality care. In order to both improve the quality of long-term care and reduce the burden of its costs on Medicaid, we need to redefine what it is and how to finance it.

Long-term care requires more supportive services than medical services. It is about having a roof over your head and the right food on the table, even when you are unable to provide this for yourself. It is about creating social and recreational opportunities for people and providing transportation to those whose functions are limited. The first step in reforming long-term care requires redesigning our communities to better integrate the aging into society through established social networks: schools, churches, social service programs, our parks and recreation services. This will allow the elderly to stay as independent as they are capable of being, to receive services they choose in order to meet their needs more efficiently and effectively, and, ultimately, to reduce the costs to the individual, their families, and society.

This is not a new idea. In fact, the Citizens League promoted it in a study committee and report in 1999. In it, the Citizens League called for communities to redesign responsibilities for providing

for the needs of their aging population. The federal government, through a program like Medicaid, can never begin to provide for the true needs of the aging. What the government currently supports is a health care model that offers some supportive services. What we need is a long-term care model that focuses on supportive services that can be provided by the community. This will go a long way towards improving the quality of care we provide our aging citizens.

The second part of the equation for reforming long-term care requires changing the financing structure. By doing this, we can move towards enhancing consumer choice, strengthening the role of the family, and reducing the cost to Medicaid. This, too, is not a new idea. The Pepper Commission, which I served on in 1989-90, recommended changes to public/private insurance financing. But the solution is not as simple as private long-term care insurance for everyone, or publicly funded care for all.

Although some politicians would like them to, insurers do not want to cover everyone. For four years, I headed the Citizens for Long-Term Care national campaign. We set up shop in Iowa and New Hampshire leading up to the 2000 presidential election in order to get the candidates to focus on reform. What I learned from this experience is that political leaders want a simple answer like “long-term care insurance and tax deductible premiums.” That’s no answer. It’s not that simple.

Nor do we need to fund long-term care through a public welfare program like Medicaid because those with long-term needs that require supportive medical services make up a relatively small percentage of the Medicare population. Instead of providing long-term care as welfare or an entitlement program, we should recognize that these care needs are an insurable event and create a program allowing consumers more control in identifying their needs and how to meet them.



continued on page 8

Long-term care reform

continued from page 7

The majority of people will not need long-term care in their lifetime. Those who do need some form of aging care will need it for a year or less. However, for those who need significant care, costs can be catastrophic. Because of this, we need a product that consumers are willing to purchase because they feel secure in its coverage as well as its flexibility.

Instead of providing long-term care as welfare or an entitlement program, we should recognize that these care needs are an insurable event and create a program allowing consumers more control.

This insurance product would be different from the long-term care insurance currently available. The private insurance industry must realize that long-term care needs are simply disabilities that occur later in life. We need the industry to write an insurance product that will help finance services for the wide range of disabilities that can occur over a lifetime. This creates an incentive for young people to invest in a product early in life—at a low price—that will protect them against any and all future disabilities.

A role for social insurance

If we move in this direction, Congress needs to decide what role social insurance, such as Medicare, can play in reducing the cost of private insurance. For example, private insurance can cover the first 12-15 months of supportive care with Medicare covering the balance. Congress also needs to decide the role of tax policy in creating incentives for or supporting the consumer in this new system. For example, we could pay for disability insurance premiums using the “inside building up” of tax subsidized home equity or specialized savings without penalty. Congress should also consider granting special tax treatment for insurance premiums while keeping in mind that tax deductions are regressive while tax credits are progressive.

Support for a redesigned long-term care insurance program will also come from stakeholder groups. State health departments will support it because it will reduce their costs and allow them to focus more on children and the poor. Disability groups will support it because it will provide a better benefit for them with greater flexibility than they currently have. Some of the most powerful lobbyist groups, including the AARP, should support it because it will improve quality and access to care. Finally, consumers should support it because it provides the right benefits with the right flexibility.

Making change a reality

Long-term care reform will not result simply from redesigning the financing system. The final piece of this equation requires community leadership to make this agenda happen. In the Upper Midwest, we are fortunate to have some of the best reformers and entrepreneurs leading our long-term care systems. I always knew this, but it was reinforced in February when the National Institute of Health Policy and the Center for Aging at the University of Minnesota, with financial support from AARP and the Agency for Healthcare Research and Quality, hosted 120 leaders from Minnesota and Wisconsin for a long-term care quality summit with the goal of reinventing long-term care. For two days, this leadership challenged each other to design a transformation agenda and action steps for making it happen.

Among the leaders were members of the National Commission for Quality Long-Term Care and of the major trade associations, AARP and the Minnesota and Wisconsin human service commissioners. Together, our long-term care providers and payers agreed that quality improvements in our care system do indeed come from culture change, community change, and a renewed understanding of what “care” means. They created a vision and an agenda for transformation that will lead our region from a system of symptom care and institutionalization to one of community integration and lifestyle enhancement that focuses on the quality of life.

To accomplish this transformation, the leadership of our care community will create support options for our aging community that enhance personal freedoms and independence. This reform movement will be enhanced if we can create a financing system that allows for greater flexibility and personal choice. They will work towards greater collaboration between stakeholders in order to provide better care and fewer barriers within our care system.

People like Dr. Robert Kane at the University of Minnesota have been telling us for a long time that we will never change the support system for those of us who age into our disabilities without changing our attitudes—and others’—about life and the inevitability of disability and death. Only by recognizing these realities, and by committing to the idea that no one should have to live the way we require most elderly disabled to live today, can we build the community of interest necessary for system change. Who knows this best? The disability community in Minnesota and Wisconsin have been national leaders in successfully advocating for independent living, financing, and regulatory policies over the past four decades. This is where the aging community should turn to teach us older and wiser folks, and our advocates, the “politics” of long-term care system change.

In the end, the greatest impact on the lives of our aging citizens will come from a commitment and a dedication from our communities to provide care and support for those who need it. Our aging support service leaders are committed to this transformation. Now our communities of families, neighbors, churches, cities and states must commit to realizing that long-term care is about independence, quality of care, and most of all, about community. ●

David Durenberger, a member of the Citizens League, served in the U.S. Senate from 1978 to 1995. He currently chairs the National Institute of Health Policy.



When the press stops writing for ‘insiders’ the common good suffers

by Ted Kolderie

Journalists have been holding meetings, agonizing about whether newspapers will survive the internet and about how the public will get its news if they don't survive.

But for those interested in public policy it may not matter much. Whether the newspaper survives or not, its function as the principal medium for serious discussion about the problems of the state and about the options for action is gone.

A wise European noted that in America every major decision must be preceded by a period of policy debate. “Government by discussion” is a famous definition of democracy. Historically, newspapers reported this debate and were actors in it.

Today editors are less and less interested in covering this discussion, except as an argument between prominent public figures or as a conflict between political parties. They say the specifics of substantive proposals as they move through the policy discussion are not of interest to most readers.

This is important. If the discussion before the vote is taken is no longer covered, something basic in our public life has changed. The close coverage of public affairs that has been so important to the success of this state for so long will have to be reconstructed elsewhere.

Our newspapers used to be purposeful about what should happen. Their owners lived here; their own success was tied to the success of this place. So they worked for change and for “improvement.”

A party to the discussion

In the 1920s the *Minneapolis Tribune* led a campaign to diversify the state's agriculture away from its one-crop dependence on wheat. In the 1930s, its successor-owners worked to rid Minneapolis of its reputation as the most anti-Semitic city in America, to convert Minnesota to an internationalist world outlook, and to renew the physical city. The file of “Civic Progress” memos that Paul Veblen and later Dan Upham wrote—basically as reporters reporting to *Star* and *Tribune* management—is a remarkable record of a newspaper's interest and involvement in urban projects.

While executive editor of the *Pioneer Press*, John Finnegan served on the Metropolitan Planning Commission. He gave reporter Peter Vanderpoel a broad charge to cover the discussion about metropolitan development and regional organization. Into the 1967 legislative session, Vanderpoel's reports about Sen. Harmon Ogdahl's and Rep. Bill Frenzel's proposals and about Sen. Gordon Rosenmeier's responses ran on the front page of the *Dispatch* and *Pioneer Press* almost daily. Unthinkable now.

Probably this coverage never did grip most readers. It truly was what the last editor of the *Minneapolis Star* called inside baseball: coverage for those closely involved in state and local public affairs as officials and as citizens. There was no widespread demand for a series about how the local property tax distorted regional development, just as there is no great demand today to know how the failure to expand electric power supply threatens Minnesota's economy.

But the owners of the papers cared about these things. So the editors had reporters write about what was happening or not happening and why. Publisher John Cowles, Sr. famously said a reporter should be the equivalent of a college professor; an educator. The good beat reporters ran their own show; told the desk what they would cover. In the 1960s, when the *Star* and *Tribune* let beat reporters follow their stories into the Capitol, traditionally covered mainly for the political story, it changed what the interest groups could and could not do; it gave young legislators with reform ideas a hearing.

All this told the public that serious public affairs were important. Politicians' main goal, then as now, was probably to stay in office.

The coverage forced them to deal with policy in order to stay in office. In 1970, the candidates for governor suspended campaigning for a week to prepare for their in-public questioning at the Citizens League annual meeting.

This role of the press has been eroding slowly for a long time. Radio and then TV took away the newspaper's ability to be first with the news. Television producers dislike public affairs shows: “A radio show with pictures,” they say. Increasingly, people were living in a world larger than local; larger than Minnesota. Steadily newspapers lost market share. In time, both the local dailies were sold.

The story of “you”

Market research showed publishers that what people mainly read are advice columns. So the papers began to emphasize “you”: your home, your finances, your diet, your health, your career, your finances, your kids. The sense of “we” diminished. Following the progress of the debate—the process story—was out. Editors wanted reporters to write about what happened; what government did to you, for you. Wrongdoing is especially attractive in the current culture of audience and awards.

Relationships changed between reporters and those in public life. When Frank Premack, political reporter and later city editor of the *Tribune*, died the publisher came to his service, the governor came, and the attorney general came. A memorial was set up to honor the tradition of journalists and politicians meeting together, as they did at the Premacks' home. But that time is gone. Some journalists today would no doubt consider that relationship improper. But it had certain effects which were useful and which were lost when it disappeared.

This distancing of reporters from sources matters because the profession has long relied on training on the job: Newspapers depended on those they covered to educate reporters about issues and institutions. This arrangement deteriorated as relationships became more adversarial, as reporters turned over faster, as editors came to care less about substance. One effect is that the institution now simply knows less.

continued on page 10

Press

continued from page 9

The media will still follow high-profile discussions about big service programs or big capital projects like stadiums. What is lost is the media's interest and its capacity for the discussion about changing institutions that has been so important to Minnesota's national role.

Publisher John Cowles, Sr. famously said a reporter should be the equivalent of a college professor; an educator.

Almost certainly there is no going back. One senior person with the *StarTribune*, when challenged about its coverage, used to challenge back: "What are we missing?" Later he would say, "Things have changed."

The future of news

Covering public affairs is not a duty that can be enforced on newspapers. An editorial in the *Wall Street Journal* in 1925 put it bluntly: "A newspaper is a private organization, owing nothing to the public, which grants it no franchise. It is therefore affected with no public interest. It is emphatically the property of its owner, who is selling a manufactured product at his own risk." The job of the media, some executives say in private moments, is to deliver audiences to advertisers.

Affordable housing

continued from page 5

In "Achieving Homes for All," MHP analyzed eight potential revenue sources available to Minnesota to help address its affordable housing need. These include: deed tax, mortgage registry tax, document recording fees, sales tax, state general obligation bonds, tax increment financing, investment tax credits, and charitable tax credits. None of these revenue sources are large enough to address the state's affordable housing need in its entirety. Nevertheless, they can make a significant contribution to closing the funding gap.

As the state prepares for the upcoming elections, initiatives such as Envision Minnesota and the Citizens League's MAP 150 are encouraging Minnesotans to take a more comprehensive look at the state's public policies. Any comprehensive vision that does not include affordable housing would be missing a fundamental pillar of public policy.

Housing advocates in Minnesota have been trying to establish a secure revenue stream for affordable housing for more than a decade. In the just the last decade, 18 different legislative efforts were made involving a variety of revenue sources. Only two of these efforts succeeded, but even these were limited in scope and

The internet, the Web, is a looming threat to the advertising base and to the readership. Some serious strategic planning in the media here assumes the *New York Times* will stop publication by 2012. This reality means owners are even less likely now to put the coverage of policy ahead of attracting readers.

Asked how a newspaper could not want to be influential in its state capital city, an editor at the *Pioneer Press* said: "Some people on the editorial page may care about that. But we figure the people interested in public affairs will buy the paper anyway. We're trying to attract the occasional reader."

But there might be a way to do it.

What if editors were to view public policy as a field to be covered for a specialized readership, as they run columns and articles for readers interested especially in bridge, gardening, bowling and auto racing? They could do serious writing about public policy for people interested and active in public policy.

Specialized newsletters are appearing on the Web, as everyone following any field knows. At the moment, newspapers are not doing much of this; as railroads did not generate truck lines and as hotel companies did not initially create motels. But some reporters are starting blogs, and they could do more of this, using these to feed intelligence to the general editors.

A logical way to start would be to build this specialized reporting into, out of, the editorial/opinion page. A congressman visiting the *StarTribune* editorial page recently told them he can follow the issues that interest him better on their page than by reading the news columns. Nothing wrong with that. Maybe that is the way to do it. ●

Ted Kolderie is a senior associate with Education/Evolving and a former executive director and current member of the Citizens League.

duration. The state's growing housing need clearly calls for a steady commitment of significant state resources.

The Housing Solutions Alliance, a coalition of more than 100 organizations formed over the past year, is supporting an initiative that would dedicate new revenue generated from a surcharge on deed transfers. The proposed bill, which is expected to raise approximately \$69 million per year, dedicates the funding to three housing programs to cover a range of income levels and housing needs throughout the state.

The strength of Minnesota's communities, the success of its families, and the health of its business environment depend upon ensuring a range of housing choices and opportunities for all Minnesotans. However, we cannot expect the state to be fully responsible for meeting the entire affordable housing need of its residents. That task will require the collaboration of a number of parties, including the federal government, the private sector, and the philanthropic community. However, strong state leadership is essential if we are to progress toward a goal of achieving homes for all. ●

Baris Gumus-Dawes is a policy analyst for the Minnesota Housing Project. For more information on Minnesota's affordable housing need, go to www.mhponline.org.

PERSPECTIVES

Expanding Minnesota's Conversation



The 2006 session: what it looked like from out here

Rural Minnesota fared well in a Legislature that saw a return to civility

by Jack M. Geller

The normally quiet airport just outside of Mankato was a pretty busy place right after the legislative session ended. One after the other, leaders of the Minnesota House and Senate, along with the governor, engaged in their “fly-around” the state to tout the successes of the 2006 session. And why not? After three years of divisiveness and conflict, people were more than ready to hear about a legislature that functioned as it was designed to and ended on time.

From out here in southern Minnesota I have to admit that I was generally impressed with lawmakers’ effort toward civility, as well as the final product; especially when one thinks about the added challenges that legislative leaders put upon themselves. By that I mean that we should remember that at the end of the contentious 2005 session, House and Senate leaders agreed to an especially short 2006 session, choosing to come back March 1 instead of February 1. I suppose that the plan was simply to get another bonding bill passed and get back home to attend to the business of getting re-elected. But plans are never that simple, and a modest surplus opened the door for a supplemental budget bill, property tax relief, a smorgasbord of stadium proposals, and hopes for up to three potential constitutional amendments to put before the voters in November.

The consequence was a rather aggressive legislative agenda in a much attenuated time frame. Some could have argued that given their past track record, it was a formula for disaster. But the system worked the way it was designed to work. It was, in fact, a very productive session. Those items where legislators were able to find common ground were passed, and those items that became too divisive were dropped. There were no collective lines in the sand drawn, no intransigency, and we’re all better for it. As with all legislative sessions there were winners and losers, but legislators clearly demonstrated to us all that the system is not irreparably broken.

After three years of divisiveness and conflict, people were more than ready to hear about a legislature that functioned as it was designed to and ended on time.

So with that as context let me turn to how rural Minnesota fared in the session. Overall, I think it’s fair to say that rural Minnesota fared pretty well. Certainly rural Minnesota’s higher education infrastructure received a welcomed boost in the bonding bill, with several major additions and renovations. Campuses in Mankato, St. Cloud, Winona, Fond du Lac, and Moorhead all saw major bonding projects included. In fact, of the \$141 million in general obligation bonding for MnSCU institutions, \$92 million was targeted for campus projects in greater Minnesota.

However, when average citizens think about projects for greater Minnesota in the bonding bill they generally don’t think about rural colleges. Rather, they think about community-based projects such as financial assistance for a local civic center, local park and recreation development or local infrastructure improvement. Over the past few years such projects have been harder to find in the bonding bill, as legislators seek projects with “regional or state significance.” But often such criteria inherently disadvantages smaller communities in greater Minnesota, as smaller communities by definition have a more modest regional or statewide impact. Consequently, I was quite pleased to see a significant number of greater Minnesota projects in the 2006 bonding bill, including the building of new

regional events centers in Marshall and Bemidji, and funding for local zoo enhancements in both Duluth and Little Falls. But more important than these local projects are the funds that the Legislature approved to increase the economic competitiveness of rural Minnesota, including close to \$6 million for Greater Minnesota Business Development grants and \$2 million set aside for bioscience industry development in greater Minnesota. Not bad for a short session!

On the policy side there were again successes and failures. Successes include eminent domain legislation that rolled through both houses like a freight train. And while many view these new legislative shackles on municipalities as an urban or suburban issue, I can assure you that landowners and farmers throughout greater Minnesota were very supportive of these new reforms. The Clean Water Legacy Act finally passed and the Legislature made its first down payment on the costs of cleaning up our lakes and waterways, as we move toward compliance with federal law.

In the minus column, the Legislature’s failure to bring to the voters compromise language regarding a proposal to constitutionally dedicate a portion of the sales tax revenues for environmental programs was disappointing. While both houses were supportive of the concept, the inability to agree on the details of such a set-aside doomed the proposal. But you can count on it being resurrected next year. And finally, the biggest disappointment of the legislative session was, again, Minnesota’s chronically under-funded transportation infrastructure. The inability of the Legislature to even get a compromise transportation bill out of committee does little to give me confidence that we will seriously address our state’s overwhelming transportation needs anytime soon. Then again... there’s always next year. ●

Jack M. Geller, Ph.D., is President of the Center for Rural Policy and Development in Saint Peter, Minn.

07/12

The Future of Politics: Policymaking the Coming Demographic Change

With **Chuck Denny** (retired, ADC Telecommunications), **Pam Wheelock** (Minnesota Sports and Entertainment) and **Lorena Duarte** (Latino Communications Network).

Join this multi-generational panel for a thoughtful conversation about Minnesota's changing demographics—and the ways our politics and policymaking will have to change.

The Forum at MPR. Registration at 7 a.m., program at 7:30 a.m.

07/13

Policy and a Pint: Money & Political Campaigns

We all know that politics and money go together. But does more money always mean a better chance of winning? And is this how we really want things to be, anyway?

Varsity Theater. Doors at 5:30 p.m., program at 6:30 p.m.

07/25

The Future of Education: Redefining Schooling

With **Joe Graba** (Hamline University) and **Mike Offerman** (Capella University).

Amid all of the talk about standards and funding, what if we're missing the most important question about the future of public education: what should schools be in the 21st century? Should the fundamental nature of "schooling" and education be radically changed?

The Forum at MPR. Registration at 7 a.m., program at 7:30 a.m.

For more information or to register, click to www.citizensleague.net/events.

Find more events like this on the Community Connections Calendar: www.pointclickengage.org.

PERIODICALS



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