



Minnesota Journal

Inside This Issue

A publication of the Citizens League

The past and future 40 years.—Page 2.

Charlie Weaver remembered.—Page 2.

Charter school proposals.—Page 3.

Volume 9, Number 3
March 17, 1992

Higher education merger controversy continues

Maintain separate systems

by Lyndon Carlson

Higher education expert Aims McGuinness, Jr., once likened juggling different higher education systems under the same governance structure to herding all of the zoo animals together into a single large cage: if they don't work and play well together separately, they will not do any better when they are combined.

The same may very well prove true in Minnesota. The 1991 Legislature approved a plan calling for the

merger of the Technical College, Community College, and State University systems by July 1, 1995. But will students be better served? I doubt it.

As a lawmaker who opposed the merger legislation, I believe that creating a centralized governance structure doesn't address the problems that have long plagued higher education. For years we have

Continued on Page 6

Single governance overdue

by Roger D. Moe

The bill to create the Higher Education Board to govern the State University system, the Community College system and the Technical College system became law last year. Because of the need to give the systems time for an orderly merger, the process was phased over a number of years. Some have mistakenly concluded the process will be short-circuited and the merger will never take place. But make no mistake, it is the law and it will take place.

Last year's legislation provided the framework for creating the single board. During the next three sessions, the Legislature will be asked to establish guidelines within the new structure. Finally, on July 1, 1995, the powers of the existing three higher education systems will be fully transferred to the new board.

The interim Higher Education

Continued on Page 7

Economy, cost may spur move for 'more for less'

By Ted Kolderie

Don't bet yet on the '92 legislative session. Gov. Arne Carlson, like most legislators, is talking no-new-taxes. But the lobbyists have not gone home, and by the time the session ends the headlines may again read: "Services Down, Taxes Up." Again, "Less, for More."

Maybe that's inevitable. People spend their incomes in many areas but earn them usually in one. So quite logically they care more about their jobs than about their costs (including tax-costs). This bias in favor of producer interests

against consumer interests means it really is easier politically for the Legislature to raise taxes than to cut spending on benefits and services (which means income and jobs).

Doing good things for potentially-grateful groups and hiding the cost has been the name of the game, says John Brandl, a former state senator and tax committee member. "That is what politicians do."

Continued on Page 5

League calls for health access, cost control

by Pete Vanderpoel

Minnesota should assure health-care access for all residents, the Citizens League said in February in an eight-page statement updating its previous positions on health care.

The statement also emphasizes the importance of slowing the rapid rise in medical costs and recommends that the Minnesota Legislature adopt meaningful cost-containment requirements.

It is one of a handful of access plans proposed to the 1992 Legis-

lature; the remainder came from health industry and business groups. As this edition of the *Journal* was being prepared, House and Senate negotiators from both parties were locked in a protracted series of meetings over a health-care package and had reached no final agreement. However, the price tag on a tentative package, estimated at \$300 million or more per year, was eliciting concern from some legislators.

Continued on page 6

Public policy over the past and future 40 years

In an inaugural editorial, it seems fitting to take a very broad look at the terrain of public policy. Over the past 40 years there have been sea changes in the economic and social systems in the world. Massive change has occurred in political systems, technology and world trade. In recent years, the military tug-of-war between the superpowers has yielded to intense economic and social competition. Global economic and telecommunication marketplaces reach every locality in our nation. Against this background, two recent comments suggest a public policy agenda for the next 40 years.

Robert Reich of Harvard University wrote recently: "[Our] economic survival is going to depend critically on how well people collaborate within large and complex organizations. Cynical indifference to public values is corrosive, as each person or group becomes less willing to bear any burden on the supposition that any others are avoiding their fair share."

The economic stresses that parade across the front pages of our newspapers could well be eroding the foundations on which we need to build our future. While Reich's comments were made to spur us on to gear up for global economic competition, they apply equally to our common challenges as a society.

A second commentator, Royce

Viewpoint

by Lyle Wray

Hanson, a fellow of the National Academy of Public Administration, recently listed six major crises that government is facing: purpose, leadership, competence, legitimacy, accountability, and finance. There is, he claims, a strong public perception that citizens are not being well served by public leadership, and that government is coping with but not solving major problems. These crises testify that government is not well positioned to play a central role in responding to pressing social and economic concerns.

Four elements for a public policy agenda can be extracted from these points: the civic infrastructure by which we address issues, citizen engagement in the community, redefining public and private action and responsibilities, and demonstrating value for tax dollars collected.

Civic infrastructure. The degree to which important social decisions are made in a timely, fair, and effective manner should be the measure of our civic infrastructure. Participation and collaboration within large and complex organizations over relatively long periods of time poses special challenges for a diverse and dispersed democratic society. One may question

whether, after getting all the actors involved in decision-making in our society, we can still get action. In the European Community, by contrast, more stringent environmental regulations are imposed over industrial factories, but decisions are made within weeks not years. A renewed look at how we resolve disputes and make decisions from made within weeks, not years. A renewed look at how we resolve disputes and make decisions from neighborhoods to the national level is a vital task for us to address.

Citizen engagement in the community. There are mixed signals regarding citizen engagement in their communities, with voter participation at very low levels yet volunteerism at high levels. Questions of participation in governance are played out against a shifting social and technological backdrop. Citizen participation in decision-making can take on new dimensions with readily available telecommunication systems making instantaneous polling possible, though not necessarily wise. There appears, too, to be a rising willingness to discuss balancing the rights and responsibilities and the privileges and obligations of citizenship. Looking at citizen engagement in our communities and in the process of governance is a second

and vital task for the years ahead.

Redefining public and private action and responsibility. There is continuing debate over the boundaries of public and private responsibility and action. Although public action is not synonymous with government action, the public often looks to government when economic and social problems arise. Reconciling unity of purpose and diversity of culture and redefining roles and responsibilities among sectors of society are a third vital task.

Demonstrated value for public expenditures. Public perception that value is not returned for tax dollars collected provides important warning signs. This perception should spur us to build a comprehensive agenda to restore public faith in public expenditures. Performance budgeting, fostering innovation, and new ways of carrying out public responsibilities are but some of the steps to consider. Working to deliver and demonstrate value for taxation is a fourth vital task.

As we set about working on the four challenges, it is important to remain mindful that we do so in a world economic and social context that may be a lot less forgiving of missteps than in the past.

Lyle Wray is executive director of the Citizens League.

low-value (or high-service-cost) uses out. Weaver had been made chairman of a House subcommittee on disparities. He knew the League was about to start a committee on the subject itself. He wanted to talk, so on October 25, 1968, I drove to Anoka, picked him up at his office and we went to DeZell's restaurant.

He explained that the northern suburbs were fighting for development because under existing tax laws that's how cities got tax base and therefore revenue for services. Metropolitan decisions about major development would mean metropolitan decisions about tax base. If these decisions were to be taken on their merits, and not driven by their tax effects, some way

Continued on Page 7

Charter school proposals emerging around state

First of two articles.

by Dana Schroeder

More than 10 months after passage of Minnesota's charter schools law, two of the eight charters allowed by the law have been granted, and a number of other groups around the state are working on serious proposals.

Approved. Two existing schools have received the first charters:

- In December Bluffview Montessori School in Winona, currently a preschool to grade six private school with 70 students, became the first school to receive its charter from the State Board of Education, after first getting the nod from the Winona school board. The district and the school are negotiating a contract for the charter operation, under which Bluffview will become a public school. Superintendent Ronald McIntire said the Winona Education Association, the local teachers' union, has threatened to file a grievance if the district signs the contract, contending it is a subcontract to an outside group for educational services and is forbidden by the union's contract. If a grievance is filed and denied, as he predicted they would, the grievance would go to an arbitrator. A ruling in the union's favor, he said, "theoretically could prohibit the existence of a charter."

- The charter for the Toivola-Meadowlands School, an existing K-12 school with 165 students in northeastern Minnesota, was approved by the state board in January, following endorsement by the St. Louis County school board. According to Dick Raich, a parent working on the proposal, a new, "much more progressive, entrepreneurial" curriculum is being designed for the school, which will include foreign language for ele-

mentary students, strengthen the outcome-based reading program, integrate classes in different subjects, and build on students' interests. He said 17 committees are working on various aspects of the proposal.

Sought approval outside home district. Two groups have sought charters for existing schools from other school boards after being turned down by their home districts:

- The proposal for a K-6 school in Rapidan (currently a K-4 school with 100 students) was approved by the Truman school board (40 miles away) in February, after being turned down by its home district, Lake Crystal-Wellcome Memorial in south-central Minnesota. The proposal will go to the State Board of Education in April. The Lake Crystal and Wellcome Memorial districts consolidated last July, and the new board voted in December to close the Rapidan school. Superintendent Eric Bartleson sees the charter proposal as "a reaction to closing a building" and a threat to the district financially. "This board has been a strong supporter of improving educational opportunities for kids," he said. "That's why we've combined."

Pat Ryan, who is working on the charter proposal, conceded the decision to close the school has spurred the community to look at potential innovations in its school. "Necessity is the mother of invention," he said. The group wants to tie farming and agri-business into an interdisciplinary curriculum and encourage parents to "adopt" a class for a month, helping with such tasks as curriculum design and correcting.

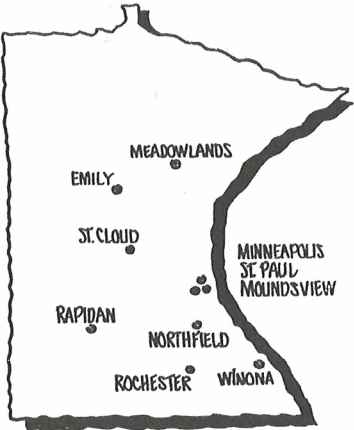
- The Emily school (an existing K-4 school with 55 students) is seeking a charter from the Cyrus school board (150 miles away), after being turned down by its home district, Crosby-Ironton in north-central Minnesota. The Cyrus board was to consider the proposal March 9. The Crosby-Ironton board voted in February to close the Emily school. The school received a reprieve from closing last year when the community raised \$27,000 to cover the district's budget shortfall, according to Emily charter committee member Dave Gaulke. The group wants the school's program to emulate the magnet school program in Cyrus, which focuses on science, communications technology, and math.

Rejected. The only charter proposal for an entirely new school to be brought to a school board vote thus far was turned down in February by Northfield on a 5 to 2 vote. The proposed Cannon Valley Middle School's emphasis was to be on peace and justice, using an experiential, case-study approach. Some parents involved in the proposal had started a private elementary school in Northfield 10 years ago after trying unsuccessfully to get the district to set up an alternative program, according to charter group member Griff Wigley. That private school affiliation created a perception of elitism that was hard to shake, he said, even though the group proposed steps aimed at assuring equal access to all students.

Northfield Superintendent Charles Kyte said primary among his reasons for recommending against the proposal was his philosophical discomfort with the charter school having an independent board elected by its staff and parents of students in the school.

Pending. Meanwhile, other charter proposals are pending before a number of local school boards. Among them:

- In Minneapolis a nonprofit agency called A Chance to Grow has a charter proposal before the school board for a new K-6 school called New Visions School, aimed at students with reading problems. The school board was to consider the proposal at meetings on March 11 and 17.



- In St. Paul Mayor James Scheibel, two teachers, and a social worker have a proposal before the school board for a charter school called City Academy Power League, which would serve 30 students, ages 13 to 19, who have dropped out of school and are unlikely to succeed in traditional school settings or other alternative programs.

- On March 9 the Rochester school board was to begin considering a charter proposal from the Rochester Montessori School, currently a private preschool to grade six school.

- The St. Cloud school board is considering a proposal by Princeton teacher Joan Riedl for a charter to bring her educational approach, based on use of technology and learning stations, to two classrooms in St. Cloud, one for second and third graders and one for fourth and fifth graders. The board was to consider the proposal at meetings on March 12 and 19.

- In Mounds View the staff of the Area Learning Center, which serves at-risk youth from a number of school districts, has made a charter proposal, which was to be considered by the school board at meetings on March 9 and 23.

Amidst all the activity, though, a number of issues are being raised—about the process required to obtain a charter, about the types of proposals emerging, and about the response of the education establishment. Next month's *Journal* will explore reactions from people involved in charter proposals, as well as legislative authors and state and local education officials.

Dana Schroeder is interim editor of the Minnesota Journal.

Charlie Weaver: good politics, good government

by Ted Kolderie

Charles Weaver, Sr., a state representative from Anoka from 1967 to 1975 who authored the metropolitan tax-base sharing law, died Feb. 20.—Ed.

It was actually Warren Preeshl, then a school board member in Burnsville and a member of the 1968 Citizens League committee studying tax disparities, who came up with the "base-sharing" idea. It was Arthur B. Whitney, head of the governments section in the Dorsey law office who gave it its initial credibility: "If you want to do this it will work." It was Jack Windhorst who worked out the technical (and impenetrable) language of the bill itself.

But it was Charlie Weaver who

contributed the essential political perception that went into the "fiscal disparities" law: that the Twin Cities area could never have regional planning within a system of purely local public finance.

In 1968 the Metropolitan Council was in its second year. It was preparing a bill for a regional sewerage system for the 1969 legislative session and discussion was under way about a new airport and a subway system, about freeways and regional parks.

Public finance then was mainly local. The disparities in tax base, and their effect on development, was an issue. Cities and school districts were competing to get high-value development and to keep



Charles Weaver, Sr.

Editors praise Carlson budget, urge no new taxes

St. Paul Pioneer Press (Mar. 6) said Gov. Carlson's budget message "provides a solid basis" for negotiating an end to the shortfall and recognizes the need for legislative attention on other issues such as health care and workers' compensation. **Star Tribune** (Mar. 6) agreed that the governor's budget helps avoid a fight that would endanger reforms needed elsewhere. **St. Cloud Times** urged lawmakers (Mar. 3) to "quit posturing for votes and make some (no-tax) promises they intend to keep." **West Central Tribune** said (Mar. 3) "the one thing we don't need right now is more taxes." **International Falls Journal** urged (Feb. 27) no new taxes and said legislators should recognize that "the gravy's run out...and government will have to eat its potatoes dry like the rest of us." **Mankato Free Press** said (Feb. 29) after taking care of the shortfall the politicians should decide how to reshape state government "to serve residents more efficiently." **Hibbing Tribune** compared (Mar. 1) the budget problem to a leaky engine and urged buying the oil filters "before we need a whole new engine."

Brainerd Dispatch urged (Feb. 25) legislators to follow the recommendation of the governor's commission on long-term financial reform to set a six-year balanced budget plan. **St. Cloud Times** said (Feb. 25) such a long-range plan might force politicians to "figure out how much money there is to spend and then decide priorities." **Pioneer Press** said (Feb. 23) the reforms "deserve strong, bipartisan support" and can

On Balance

Editors were poking holes in actions of Minnesota's policymakers as deep as those now appearing in our roads.

"reduce the chance that Minnesota will continue lurching from one budget crisis to the next."

Duluth News-Tribune said (Feb. 18) it's important that cost controls get "equal play with wider access" to health care. **West Central Tribune** said (Feb. 21) holding down costs to increase access to health care "is a better alternative than having the state spend more money on health-care coverage." **Red Wing Republican Eagle** endorsed (Feb. 20) the idea of having purchasers select where to get treatment based on data regarding a hospital's success. **Pioneer Press** counseled (Feb. 16) legislators to "move cautiously, focusing this session on cost containment, insurance reform and low-cost... coverage to the uninsured." **Fargo-Moorhead Forum** said (Feb. 21) teaching the public to buy quality health care and insisting that providers pay only for necessary procedures are "sensible and inexpensive" ideas for reform. **Star Tribune** endorsed (Mar. 7) the Citizens League health-care reform proposals, saying "the beauty of the...approach is that it generates substantial funding in a way that helps contain health-care costs."

Princeton Union-Eagle cautioned (Feb. 13) legislators to proceed carefully with restructuring higher education and said the idea of combining the state university system with the University of Minne-

sota deserves "priority consideration." **Mankato Free Press** said (Feb. 10) the merger proposals divert attention from "the real debate...a growing belief that the state has too many higher education campuses and duplicate services."

Rochester Post-Bulletin said (Feb. 8) the University of Minnesota is on the "right track in throwing its resources into its primary mission, that of achieving academic excellence."

Bemidji Pioneer said (Feb. 9) part-time legislators earning full-time salaries is a "symbol of a legislative expenses system gone wild." **St. Cloud Times** said (Feb. 9) with legislative salaries, per diems, and other benefits it isn't any wonder that the term limits movement is growing. **Hibbing Tribune** urged (Feb. 28) legislators to get rid of the practice of transferring campaign contributions to other campaigns. **Duluth News-Tribune** said (Feb. 28) such transferring is "a good example of why the public mistrusts many elected officials" and said the practice should end. **Bemidji Pioneer** called (Feb. 23) the House I-R action to cut off staff services to a caucus member who refused to vote with IR's on redistricting "petty, wrong-headed and an insult to the legislator's constituency."

Free Press said (Feb. 20) it is time for local leaders to "seriously court federal prison officials" to trans-

form the University of Minnesota-Waseca campus into a low-security prison. **St. Cloud Times** said (Feb. 19) reviving the campus as a purpose such as a federal prison makes sense but "merely transferring it from one state higher education system to another isn't productive."

Republican Eagle said (Feb. 14) "Minnesota lawmakers would be foolish to ban large hog producers" such as one proposed in Clarkfield. **Free Press** said (Feb. 12) the big swine operations should not be banned in Minnesota."

Duluth News-Tribune supported (Feb. 25) the bill to require deposits on non-refillable beverage containers and make companies either cut wasteful packaging or pay a tax. **St. Cloud Times** agreed (Feb. 27) saying the bill would attack "the monster that accounts for nearly 35 percent of Minnesota's garbage: disposable packaging." **Star Tribune** said (Feb. 24) the state should enact statewide packaging guidelines.

Worthington Daily Globe said (Feb. 18) legislators should "give top priority" to workers' compensation reform and urged consideration of Wisconsin's system. **International Falls Journal** said (Feb. 24) this reform would be a "good start" to the mission of improving conditions for the state's existing businesses. **Pioneer Press** urged (Feb. 28) legislators to take action this year, not only to curb high benefits, but also to provide more efficient medical services to injured workers, reduce litigation, crack down on fraud and enhance safety programs to prevent injuries.

Measure how St. Paul works for young

From St. Paul Mayor James Scheibel's state of the city address, Feb. 24.

I want to talk about how the city works for its younger citizens, because—too often—we measure the condition of our community by measuring how well it serves us as adults...

I want you to be confident that St. Paul will have the jobs that make your investment in education and training worthwhile...City government is going to be a partner with the small business owners...When

you graduate from high school, I want you to find a city rich in culture—that feeds your artistic and literary natures...

I want you to find a city that takes better care of its infants than we do now, so that when you are ready to begin stable, loving families, you find a community ready to help you raise healthy babies...I want you to find a city that makes opportunity and hope available to all its citizens, so I am working closely with the school district and the St. Paul Foundation to develop a lifelong literacy center...As mayor, I

need to make sure our city does its basic job: the work of streets, libraries, and public safety...

As you grow up, I want you to find St. Paul a city you want to live in. I want you to be able to find homes you can afford...(In America, too many cities are becoming places just for poor people and wealthy people, while middle-income families move into suburbs. St. Paul, a city of good and strong neighborhoods. When you are adults and starting families, we want this to be a city you are comfortable living in and one that you can afford.



Citizens League Matters

March 17, 1992

News for Citizens League Members

Welcome new members

- Jeffrey Alexander
- Marian Bayer
- Mary Carlson
- Frank Cerra
- Patricia Conboy
- Janna Delue
- Carole Faricy
- Beth Giannini
- Maria Girsch
- Charles Hommeyer
- H. James Leskee
- Darlene Luther
- Lois McCarron
- Paul McCarron
- Rosemary McGlynn
- Leonard J. Pignatello
- Donna Reyelts
- Kenneth Riley
- Janelle Riley

Premack memorial

Changes in public affairs reporting is the subject of the Premack Memorial program at 7:30 p.m. Monday, April 13, at the Humphrey Institute of Public Affairs at the University of Minnesota. It will feature an awards ceremony and discussion involving **Tim McGuire**, **Star Tribune** executive editor, and **Mindi Kiernan**, **St. Paul Pioneer Press** managing editor, with **Dave Nimmer**, University of St. Thomas journalism professor, as moderator. Admission is free.

Curt Johnson and Stephen Alnes give farewells

About 230 members of the Citizens League gathered February 12 in St. Paul to honor the work of former executive director Curt Johnson and former *Minnesota Journal* editor Steve Alnes.

Johnson and Alnes offer to League members these comments:

Johnson:

When I reflect back on the farewell dinner, I'm amazed that such a large group, clearly drawn to the event by the prospect that Johnson and Alnes would finally get it the way they've been giving it, didn't become hostile when the roasters turned out to be too kind, and the tributes too tall. (There! Another excessively long sentence, lightly alliterated, for Paul Gilje's collection.)

"Citizens" in the Citizens League became less important as a source of support.

But my family and I thank all of you very much for the wonderful evening and the gifts to which you contributed. The merriment and warm feelings reveal a lot about the way Citizens League people have fun doing serious things.

Alnes:

Having retired and thus relinquished my authority over the space in the eight pages of the *Minnesota Journal* surrounding the League Matters, I lunged at the offer of some space here.

First, I must thank the League for giving the *Minnesota Journal* and me a home back in 1984 when I

concluded I had lost, in a mere seven months of private operation, about as much money on the *Journal* as I cared to lose.

And, of course, I didn't mind at all bathing in the extravagant generosity of the speakers at the big going-away party for Curt Johnson and me. The words will warm me as I plummet into the irrelevancy of old age. I said afterward that I felt like the guest of honor at an open-casket funeral. I expected someone to tell me I looked "natural."

However, I also have to say that I think the Citizens League and the *Minnesota Journal* are in trouble. The problem is money. Neither the League nor the *Journal* will be as good as we want them to be at their current level of funding.

You can join the League for just \$35 a year. That includes the *Journal* subscription. *Politics In Minnesota*, that neat and newsy publication by Wy Spano and D.J. Leary, costs \$48 a year. Don Larson's *Business Newsletter* costs \$39. And neither offers an effective organization like the League to go along with it.

The League's 3,000 members contribute about \$150,000 of the annual \$550,000 budget. The difference comes from corporations and foundations.

Since 1986, the League has tried to get a greater proportion of its budget from individuals. The reason: The number of corporations

supporting the League had declined since the early 1970s. The remaining corporate supporters, bless them all, increased their giving approximately in line with inflation, but contributions by individuals had not kept up with inflation.

As a result, the "Citizens" in the Citizens League became less important as a source of support. And, in a period of corporate losses, mergers, acquisitions and cutbacks, the League's basic financial underpinnings were increasingly shaky.

We League members and the community own something special here. We have a process for examining policy issues that is mostly free of partisan politics, factually based, amenable to compromise,

pragmatic, and possessing as much integrity as you're likely to find in a modern institution.

I once suggested, only partially in jest, that we go into the pulltab business to support the *Minnesota Journal*. The idea was swiftly laughed aside as not being quite noble enough for the likes of us. Perhaps so. But there's also nothing particularly uplifting about interminable pledge drives or going from corporate door to corporate door begging for money.

The brutal fact is we are going to have to beg for it, sell something for it or pay it ourselves. I worry that we won't do enough of any of those.

Reorganizing government services

The next series of **Mind-Opener** breakfast meetings, held from 7:30 to 8:30 a.m. on Tuesdays in the Central Lutheran Church, 333 East 14th Street, Minneapolis, will feature ways of reorganizing public services.

On March 17, Rep. **Bob Vanasek**, DFL-New Prague, will describe his plan to create a state department of environmental protection and conservation by merging the Department of Natural Resources, the Pollution Control Agency and other agencies.

On March 24, **Robert Pulscher**, chair of the Ramsey County Local Government Services Study Commission, will detail proposals to cooperatively provide certain county and city services.

Jim Quinlan and **Geralyn Sheehan** served on the Ramsey County Commission and, along with 9 others of the 25-member Commission, filed a dissenting report. On March 31, Quinlan and Sheehan will describe their dissent which focuses on satisfying the customer and contracting for services.

The series will end with **Jim Nobles** and **Joel Alter**, legislative auditor and project manager, respectively, in the Office of the Legislative Auditor. They will discuss how functions can be set up to fit service delivery goals, highlighting their recent report *Higher Education Administrative and Student Services Spending: Technical Colleges, Community Colleges, and State Universities*.

League celebrates birthday
1992 marks 40th anniversary

1992 marks the 40th year in the life of the Citizens League. The League's annual meeting this fall will be structured around the theme *Citizens Shaping Minnesota's Agenda*. Future issues of the *Matters* will highlight some of the history of the League, concentrating on the key themes that have dominated this organization over the years.

Metro Council forum will focus on
improving delivery of public services

The Metropolitan Council is sponsoring a day-long forum looking at ways to promote efficiencies and cut costs of services provided by local governments. The forum will feature **Ted Gaebler**, co-author of *Reinventing Government*, a book on restructuring public services, and **Jim Griesemer**, long-time city manager from Denver, Colorado. Copies of Gaebler's book will be

available to registrants at a reduced cost.

The forum will take place from 8:15 a.m. to 4:45 p.m. at the Earle Brown Center on the University of Minnesota's St. Paul campus and will cost \$45, or \$60 for those interested in a copy of *Reinventing Government*. For more information call Terry Kayser at the Metropolitan Council (291-6356) before March 23.

Services

Continued from Page 1

Bye "the game" will change. If the '90s really is going to be a decade in which slower economic growth bears down hard on most organizations and most families, it's possible that rising costs will produce a politically effective demand for a productive public sector.

Ways do exist to do "more, for less." David Osborne and Ted Gaebler describe them in their new book, *Reinventing Government*. The problem is that they're hard to do and strongly resisted politically. Up to now governors and legislators haven't wanted to take on that challenge. Even during the fiscal crisis of 1978-82 it was easier to cut (or shift) and tax than to change the existing (and comfortable) way of doing things.

If the public does now demand a change big things might happen. Minnesota has been thinking about and experimenting with these ideas for the last 20 years, through the period of expanding public spending that followed the introduction of the sales tax in 1971, and the new programs in the early '70s.

A lot is now known here about redesign and restructuring (partly about what does not work) from efforts like these:

● LEAP, the loaned-executive program for state executive-branch reorganization organized by then-Gov. Wendell Anderson about 1971. In Anderson's time the Legislature also created the Office of Legislative Auditor in 1973, to do program-audits of

state programs.

● Public Service Options, a "design shop" set up jointly by the Citizens League and the Upper Midwest Council in the mid-70s to explore "choice" strategies.

● The Minneapolis-St. Paul Study, set up by Martin Sabo, then speaker of the House, and Nicholas Coleman, then Senate majority leader, to find out why it cost so much to run those cities.

● The Governor's Commission on (presumably, against) Waste and Mismanagement, established by Gov. Rudy Perpich in 1977. In 1983 Perpich and Sandra Hale, his commissioner of administration, set up the performance-improvement program known as STEP, which began to make some headway in state services.

● CORE (Commission on Reform and Efficiency) is an initiative of Gov. Carlson, staffed by the Department of Administration, to look at selected state-level problems, at local government aids and at something involving state/county social services delivery.

● The Metropolitan Council is organizing a task force to study local services-delivery. The Council will have a conference on the topic March 30 at which Gaebler will speak.

The problem throughout has been to find some clear and effective general strategy; some vision of how to make the public sector more efficient (i.e., economical and effective).

"Reorganization"—moving the boxes around—hasn't seemed to make much difference. "Efficiency" is elusive, and doesn't produce

big numbers. Talk about "shutting off the money-flow" produces counter-threats from agencies to cut or close popular programs: beneficiaries and employees then protest and legislators relent.

Most recently the "hot" idea has been consolidation: the notion that larger units will be more effective and cheaper to run—in higher education, in education, in local government. (See "Money Woes Drive Governments to Seek Economics of Scale" by Betty Wilson, *Minnesota Journal*, December 17, 1991.)

That idea now seems to be cooling down. Consolidation is hard to make happen, and even where it does, the projected savings may not be realized. The Legislative Audit Commission March 4 reported that administrative savings from merging three higher-education systems would be "limited" and might be more than offset by resulting increases in costs if salaries in the new, merged organization were equalized upward. Bigger governments do sometimes spend more.

The most interesting and potentially significant development is the dissent—first reported on the editorial page of the *Saint Paul Pioneer Press* March 5—of 11 members (almost half) of the Ramsey County Local Government Services Study Commission.

The commission had been created by legislators to look at possible mergers in public health, criminal prosecution, libraries, public works and police (communications, crime lab and investigations). It recommended some changes. But suburban officials were deterred from merger by their concern about having to pick

up Saint Paul service costs and Saint Paul members by their desire not to lose control of their operations.

Three citizen members of the commission—Geralyn Sheehan, James Quinlan and Rafael Ortega—came into the final meeting with a different proposal. It lost on a tie vote.

Basically the dissenters call for expanding choice for elected officials. They want to change the basic arrangement for service-delivery from the traditional public-bureau arrangement to a competitive-bid arrangement. They propose three-year contracts for most of the services, to begin in 1993. Government agencies would be eligible to bid provided they included, as other bidders necessarily would, all direct and indirect costs.

Their dissent reflects what surveys of public opinion have found. The public is not against the high-service state. It simply does not believe government is doing the job effectively and economically.

Ruby Hunt, one of the 11 dissenters, calls this "my new crusade." "Citizens have decided this is the way to go," she said. Hunt is a member of the Ramsey County Board and was before that a member of the Saint Paul City Council.

Ted Kolderie is contributing editor of the Minnesota Journal.

Other Views

I read Kolderie, Cairns, Smyth, Rehwaldt, and Bauerly (*Minnesota Journal*, Feb. 1992) and still need someone to explain to me why it makes sense to keep one school district from spending more than another one is able to spend. If the state defines and provides for an "adequate" level of education for all students (presumably funded from a progressive income tax), what is the harm in some districts providing more? Isn't disallowing this "cutting off your nose to spite your face," as my mother would say?

If we take this philosophy to the next basic public service, will it mean that no community is able to provide more health care than the least wealthy (or more remote) community is able to afford?

Am I missing something?
Ellen T. Brown, Woodbury

Citizens League Calendar at a Glance: March 16 - April 10				
16 MONDAY Executive Committee 7:45 a.m., 12th floor, First Bank Building Program Committee 5:00-6:30 p.m., MN Dept. of Health	17 TUESDAY Mind-Opener Breakfast 7:30-8:30 a.m., Central Lutheran Church, Mpls. Elective Office Study Committee 5:15-7:15 p.m., MN Dept. of Health	18 WEDNESDAY Government Services Committee 4:30-6:30 p.m., Lurie, Besikof, Lapidus Education Center, Mpls.	19 THURSDAY Board of Directors noon-2:00, Town & Country Club, St. Paul	20 FRIDAY Community Information Committee 7:30-9:00 a.m., Kelly Inn-Capitol, St. Paul
23	24 Mind-Opener Breakfast, same time and place	25 Finance Committee noon-1:00 p.m., Piper, Jaffray Tower, Mpls. Government Services Committee, 6:00-7:30 p.m., same place	26	27 The April Matters will describe the upcoming Board of Directors election.
30 Program Committee 5:00-6:30 p.m., MN Dept. of Health	31 Mind-Opener Breakfast, same time and place Elective Office Study Committee, same time and place	April 1 Government Services Committee, 4:30-6:30 p.m., check your meeting notice for new location.	2	3 Community Information Committee 7:30-9:00 a.m., Kelly Inn-Capitol, St. Paul
April 6 Program Committee 5:00-6:30 p.m., MN Dept. of Health	7 Mind-Opener Breakfast, same time and place	8 Government Services Committee, 4:30-6:30 p.m., check your notice.	9	10

Community must support all children

From Minneapolis Mayor Donald Fraser's state of the city address, Feb. 5.

When I became mayor in 1980, one out of four births in Minneapolis was to single mothers. That figure has climbed to 41 percent today and is projected to rise 67 percent by 1999. We need to understand more fully why births to single women are increasing so rapidly and how our community can ensure that all children receive their full birthright of love, support and hope. This is a complicated

decision, but one we need to push into the public light...

I propose that we move forward on three additional fronts. First, we are proceeding with plans to establish three Neighborhood School Readiness Centers this fall and to add two more the following year...Each site will include kindergarten and Head Start classrooms, health services, child care, Way to Grow, and other services appropriate to the neighborhood...

Second, after-school programs. Every child in this city should have access to appropriate after-school activities. Parents and children alike need this...I anticipate a public private partnership spearheaded by the city and the corporate community to initiate an expansion this fall.

Third, city government can do a better job of making connections with young people...through career days, internships, summer employment projects, and mentoring relationships.

Carlson

Continued from Page 1

have wrestled with questions about program duplication, how many campuses we should have, whether we should close any campuses, and how many and which students ought to have access to higher education.

Will the newly created Higher Education Board be more capable of resolving these issues?

Merger proponents argue that a single governing board will be able to act more decisively than three separate boards acting cooperatively. A consolidated governance structure, they maintain, will quell the turf battles and competition that get in the way of resolving long-standing issues such as credit transfer and program duplication.

Studies, however, cast doubt on that assumption. McGuinnes, the assistant executive director of the Education Commission of the States, who has studied governance issues for more than 20 years, says "a more centralized and bureaucratic structure...is even less likely to be highly flexible, responsive or creative."

And although proponents say the merger will yield savings by reducing the number of administrators, these savings probably won't be great enough to offset the potential costs of the merger.

Merger opponents and proponents agree that in the 1990s resources will be constrained across all of state government. Lawmakers cannot guarantee that higher education will be able to defend its current share of the state's budget against the demands of competing social needs.

Without a detailed plan for implementing the merger, no one can calculate what its full costs will be. But the Higher Education Coordinating Board (HECB) has estimated what it might cost to implement some of the merger's more explicit mandates—for example, the potential cost of creating a state system of technical colleges. Now local school boards (in some cases regional boards) own and operate the technical colleges, which receive their funding from the state.

HECB estimates that creating a statewide bargaining unit for technical college faculty could inflate current spending for salary and benefits by as much as \$34 million every biennium—an amount equal

to more than 10 percent of the technical college system's entire 1992-1993 state appropriation.

To that expense, add \$60 million to pay school districts for their investment in technical college campuses, plus one-time expenses of \$30 million, and the initial cost of taking this first step toward merger escalates to as much as \$125 million over the biennium.

Estimating the cost of creating unified systems for student registration and financial accounting is more difficult. The University of Minnesota's recent experience in forecasting the cost of a new accounting system may be instructive: it was estimated at \$11 million and is now expected to exceed \$17 million.

The money that state taxpayers could potentially spend to create a merged system would be much better spent improving the educational services students receive. Faculty and students of our higher education systems have identified several critical needs: state-of-the-art instructional equipment, comprehensive and current library resources, and adequate course sections so students can finish their programs in a timely fashion.

During the 1991 legislative session, several other higher education initiatives were approved, in part, as an alternative to the proposed merger and its potential costs. These initiatives address concerns about credit transfer and administrative costs. One defines in statute a unique mission for each of the higher education systems and require them to transfer or eliminate any programs not within the scope of their respective missions.

HECB will oversee this program reduction and realignment and has also been given new authority to control the growth of off-campus programs and sites. During the coming weeks the Minnesota House plans to review HECB's roles once again.

McGuinnes' zoo animal analogy may be a bit blunt, but there is merit in keeping higher education systems that have distinctive missions and cultures separate. I believe it's far wiser to map out a unique plan for each system's future than to leave it to one "super board" to oversee what will be a colossus of a higher education system.

Lyndon Carlson (DFL-Crystal) chairs the Education Division of the Minnesota House Appropriations Committee.

Moe

Continued from Page 1

Board comprised of 12 members (six from within the public higher education system and six from outside) has met often and has selected an interim chancellor to serve until a permanent chancellor can be hired.

As part of the planning process, the board will consult with the local advisory committees, student government organizations, and employees of the state universities, community colleges, and technical colleges. The lengthy process will provide ample opportunity for deliberations, negotiations, and, I hope, a bit of legislative genius.

The intent of this law was simple—to make public higher education more efficient and to improve access and transferability for the students in any of these three systems. Right now, three of four Minnesota students embarking upon higher education get their start in either a state university, a community college, or a technical college. If we can ease their transfer between systems and improve their access to classes, they will be major beneficiaries. In addition, better coordination among the systems may result in reduced time a student needs to be in school, thereby saving taxpayers money.

Minnesota already spends heavily on public higher education—only three other states outspend it per capita. The state foots the bill for approximately two-thirds of a student's instructional cost. Imagine

the money that could be saved by the student and the state if the new system allows students to finish their studies earlier!

Effective and efficient coordination of higher education has been an objective of state policymakers for several decades. Minnesota established the Higher Education Coordinating Board in 1965, and it has been a great success in some areas, especially in improving student access. But it has never really been able to coordinate the higher education systems because the Legislature never was willing to give it the authority it needed to do the job. That's why a single governing board and a single administration overseeing the three systems is so important. It will ensure the cooperation and coordination that we all agree is necessary and desirable.

The HECB can continue to serve a vital purpose in a merged system in the areas of planning and financial aid. Currently, the HECB expends about three-quarters of its resources on financial aid to students. It should continue to provide this important function. In fact, there is a need to have a neutral body administer this service. In addition, the HECB responds to legislative requests for specialized studies in areas of particular concern. The HECB should continue in its role of long-range planning to provide the Legislature with unbiased analysis.

Finally, even after the newly merged system is fully implemented, there will still be a role for HECB in coordinating and facilitating cooperation between the new system, the University of

Minnesota and the various private post-secondary institutions.

Public post-secondary education has to change to become more effective in the 1990s. We will not see the same growth in resources for state government that we saw in the 1980s. The competition for scarce resources will be worse than ever. The likely outcome will be increases in funding that fail to keep pace with increased demands on higher education.

In the past 10 years, the state appropriation for public post-secondary education increased by 113 percent, while enrollment increased less than 6.5 percent. That cannot continue. Economists estimate that Minnesota experienced a 6.2 percent annual growth rate in the 1980s. So far, the 1990s have seen an annual growth rate of just 3.4 percent. And most experts do not expect things to improve much in the rest of the decade.

In that fiscal environment, business as usual won't work. Study upon study indicates that there is significant overlap between the post-secondary systems. Administration, student services, equipment, and programs are all areas where eliminating overlap and duplication, together with improved coordination would reduce costs considerably.

We also need to make better use of our existing capacity. Beginning in the 1960s, state policy sought to have a post-secondary institution within easy driving distance of every citizen in the state. That policy, coupled with a baby boom that created unprecedented pressures to increase capacity, resulted in an

increase of 28 campuses between 1965 and 1973.

Today we have 67 campuses spread around the state. While enrollments have remained high, the demand varies enormously from campus to campus. It is insane to continue crowding more students into a dozen of our campuses while we have excess capacity in the other 50 or so. We must make better use of our campuses. And I believe we can do so without closing any of them. But to do so requires change. The key is enrollment management, and that can best be achieved by a single Higher Education Board.

If we choose to do nothing and just "stay the course" in post-secondary education, each system would pursue its independent approach and continue to lobby the Legislature for a bigger piece of the pie. Each would of necessity emphasize its strengths and areas of growth. Given limited state funds, the result would be survival of the fittest rather than a rational policy that meets the needs of communities and students throughout Minnesota.

A single governing board for the state university system, the community college system, and the technical college system will help contain costs, increase efficiency, and improve student mobility and choice in public higher education. I cannot imagine why a policymaker or a taxpayer would oppose it. It is long overdue.

Roger D. Moe (DFL-Erskine) is majority leader of the Minnesota Senate.

Health

Continued from Page 1

"Legislative progress on cost and quality control issues is critical," the League said. "...Universal access to meaningful benefits will be little more than an empty promise until the state changes a system that allows physician and hospital costs to rise unchecked."

The most effective way to control costs, the statement said, will be through reforming the health-care system to create a true, competitive market by changing incentives in order to reward efficient providers and making cost and quality information available to consumers.

The League noted that the medical care structure in this country has been "aptly" described as one "in which reimbursement is guaranteed for charges that are neither controlled by competition nor regulated by public authority, and in which no motive for economy can be discerned."

Elements illustrating that description include a lack of consumer information on the cost and quality of care that physicians, health plans and hospitals provide; employers paying all or most of the cost of the care plans employees select, whether or not the plan is efficient, so that neither the employees nor the providers are motivated to hold down costs; a structure that encourages the use and over-use of expensive technology.

The League proposed that:

- The state subsidize basic preventive, inpatient and outpatient services for the medically indigent, using only managed-care providers who would compete for the state plan on the basis of results and cost. (Managed-care organizations, and health-maintenance organizations in particular, have proven significantly more efficient than the more traditional fee-for-service practice.)

- The first priority for financing be through the state income tax; the Legislature should eliminate the

exclusion from taxable individual income of employer-provided health-care benefits and any before-tax employee contributions to health premiums. This existing exclusion, said the statement, encourages increases in costs, goes to relatively well-off citizens but not the poor, and provides the greatest subsidy to employees in a position to receive the richest medical-care benefits from their employers.

The state-wide income tax, the League said, is the most appropriate way to pay for a fundamental service such as health care, in which all citizens should share the cost, based on ability to pay. Additional potential funding sources, if needed, the report said, would be a tax on hospital and/or physician's bills and on cigarettes.

- Persons ineligible for the state-subsidized plan and not otherwise covered be required to purchase a minimum amount of protection for major medical bills, to avoid ending up on medical assistance (paid for with state and federal tax dollars) if they develop severe health

problems.

- The Legislature enact several reforms in underwriting and rating practices for individual and small-group (fewer than 30 employees) insurance, such as limiting the exclusion of pre-existing conditions and prohibiting the cancellation of coverage or increases in cost due to higher claims experience or health-status changes for an individual or a single small employer.

- The state allow small employers to pay the premiums for enrolling high-risk employees in the Minnesota Comprehensive Health Association, created specifically by state law to provide subsidized health insurance for high-risk individuals.

- The state require the collection and dissemination of comparative information on the cost and performance of health plans and hospitals, so that citizen consumers have—for the first time—accurate data in order to make wise choices.

Pete Vanderpoel is communications director of the Citizens League.

Weaver

Continued from Page 2

would have to be found to make revenue available to local governments and schools.

Ten days later Weaver put the argument in a letter to the League committee. Four months later, in March 1969, its report, containing Preeshl's idea of a metropolitan sharing of the growth of the commercial-industrial tax base, was adopted by the League board. Weaver got the bill through the House yet that session, but Sen. Donald O. Wright cancelled the final meeting of his Senate Tax committee to avoid hearing the bill and it died.

In 1971, after repassage in the House and a narrow victory in the Senate, it became part of that large reworking of Minnesota's public-finance system that John Shannon at the U.S. Commission on Intergovernmental Relations later called "the miracle in Minnesota." That session also brought a major equalization of school finance (again, partly enacting a report from the League). "A vintage year," somebody said.

The school-finance reform probably brought more revenue to Anoka County, but it's easy to see why Charlie Weaver always treasured his law, which should, of course, be called the "anti-fiscal disparities" act. Like the equaliza-

tion of school finance it addressed a real problem of fairness. It was not partisan. It worked. And it has lasted: it has survived two legal attacks; then two rounds of political attack. It was good for Anoka County and good for the Twin Cities area—good politics and good government. Public finance people all over the country talked about it, but nobody else could do it. Only the Minnesota Legislature could do it.

It was one of those pieces of creative institution-building that good public officials do from time to time. It was the sort of thing Joe Robbie, who died last year, did in 1959 when as secretary to the state interim commission on municipal

laws he educated legislators on the importance of asserting the public interest in the creation and extension of municipal boundaries.

It was the sort of thing Bob Renner, who retired last month as a federal judge, did in 1967 when—as a lawyer and legislator from Walker—he saw that "You folks in The Cities need our help to solve this metropolitan problem" and broke the deadlock on the Metropolitan Council legislation.

It's been said there are two kinds of people: those who want to be something and those who want to do something. Charlie Weaver wanted to do something. He did.

Light-rail proponents return to nine-line push

The Metropolitan Council got a fair amount of praise at the Capitol last month for producing a broad transit proposal (better bus service, more high-occupancy vehicle [HOV] lanes and one—possibly two—light-rail transit lines) that all the various transportation factions could agree on. (The idea was that, with a broad range of improvements, the Council and the Legislature could see which ones worked and which didn't before making large additional capital investments.) But the ink was not dry on the Council's proposal before light-rail proponents, including counties, basically returned to their nine-line light-rail plan and picked up their lobbying for as many light-rail lines as possible. —Pete Vanderpoel

Richfield, speaking of light rail, got little attention for its reaction to the Council plan, which held open the possibility of both light rail and a special HOV lane (for buses and multiple-occupant cars) on I-35W south of downtown Minneapolis. Light rail, the city said, would compete with—not complement—an HOV lane, while costing more and providing no faster service. Also, Richfield Mayor Martin Kirsch argued, adding light rail on top of an HOV lane would provide far more transit capacity than needed, an amount useful only if Minneapolis plans a "world-class, high-density residential/commercial development" along the freeway. —P.V.

In Washington D. C., the phrase "designer taxes" is being used to describe user fees and other hidden charges that are felt to be less visible to the taxpayer. It is such a designer tax that allows the Carlson administration to say its budget message does not call for new taxes yet bring in nearly \$5 million with a \$5 per year fee for water connections to homes, apartment buildings, or commercial properties. —Lyle Wray.

Three Minnesota health maintenance organizations—Medica, MedCenters, and Group Health—are among the top seven HMOs nationally in enrollment in point-of-service plans. In those plans, enrollees are covered when they use providers outside their HMO's network, though with some additional cost-sharing.

Point-of-service plans are very popular in Minnesota, according to

1991 data reported by InterStudy, the Excelsior-based health think tank. About one-third of Minnesota HMO enrollees are in point-of-service plans. In turn, Minnesota HMOs account for about 30 percent of all enrollment nationally in such plans.

Blue Plus, the health maintenance organization operated by Blue Cross and Blue Shield of Minnesota, reported an increase of more than 66,000 in enrollment in its point-of-service plans, putting it in InterStudy's top seven. However, Blue Plus's stay in the big leagues may be short-lived. Its increase is not because of growth in business, but is the result of incorrectly including enrollment in its point-of-service plans for self-insured groups. —Allan Baumgarten.

Most of the reporting is about one building at a time. But put it together: the Federal Reserve block, the Minneapolis Library block, the Nicollet Hotel block, the Sheraton-Ritz block, the old Federal Courts block. Minneapolis may soon have a piece of land downtown big enough almost to do the Lower Loop redevelopment all over again.

"What'll you put there?" a key city planner was asked not long ago. He shrugged. "Office buildings." —Ted Kolderie

Department of Airport Visibility. Rep. Steve Smith, R-Mound, got a perfectly clear answer from Rep. Edwina Garcia, DFL-Richfield, at a hearing the other day on her bill to require the Metropolitan Airports Commission to spend up to \$10 million annually for noise mitigation. Smith wanted to know whether the Local Government and Metropolitan Affairs Committee could "expect a different number" when the bill appeared on the floor of the House. Garcia replied, promptly and firmly: "It will be either less or more." After a moment of stunned silence, Rep. Irv Anderson, DFL-International Falls, the committee chair, commented confidently, and with a perfectly straight face: "The chair agrees 100 percent with Rep. Garcia." —P.V.

Take Note

"Our wisdom and deliberation for the most part follow the lead of chance."—M. Montaigne

Speaking to a Citizens League meeting in March, Dr. Del Orth, Medical Director of Blue Cross and Blue Shield of Minnesota, gave this example of the proliferation of medical technology. Abbott-Northwestern Hospital operates a mobile unit that travels to small cities around the state. The unit is parked at local hospitals where cardiologists perform cardiac catheterizations, a procedure used to test the extent of coronary artery blockage. (The Mayo Clinic also operates a mobile unit.)

If something goes badly during the procedure, the patient must be transferred immediately to a hospital equipped for heart surgery. Specially equipped air rescue helicopters based in Minneapolis, Rochester, and other larger cities, are used to transport the patient. Because the helicopters cannot land in these small towns when visibility is very poor, the procedure is not performed on foggy days. —A.B.

The Fergus Falls Daily Journal has been running on its editorial page what it calls "It's Your Turn," a feature that allows readers to call in their viewpoints on anything and everybody and see those opinions published. The feature is what the paper calls its "version of talk-radio." It's very popular but has also generated a petition with more than 200 names of people who want the paper to reconsider how it uses "It's Your Turn." They object to the inaccuracies printed

along with the viewpoints, as well as the nastiness and spite with which some of the viewpoints expressed.

Besides taking some steps to redress the inaccuracies, the *Journal* wanted to know whether its readers wanted to retain "It's Your Turn." It included postage-paid postcards in the newspapers sent to all its subscribers and asked subscribers to vote on keeping or stopping the feature. By a seven-to-one margin the subscribers voted to keep it. —Jody A. Hauer.

Best acronym of the month: CHOICES, the term Princeton teacher Joan Riedl, who has submitted a charter school proposal to the St. Cloud school board, uses to describe the approach in her classroom, which makes heavy use of technology and learning stations. Riedl gets an A+ for reciting by memory in an interview what the acronym stands for: Common sense and communication, Honesty, Observation, Integrity, Continuity, Experience, Sincerity. —Dana Schroeder

City councils in both Mankato and St. Cloud voted to use single voting places for the state's April 7 presidential primary. The votes were in part money-saving efforts and in part protests against the primary, according to local news accounts. As a result, city residents will vote at one central location instead of the usual 29 precinct locations in St. Cloud and 16 locations in Mankato. St. Cloud will save about \$5,700 dollars and Mankato \$2,900. The City of Sartell also voted a single voting location—instead of its usual two—saving \$530. —J.A.H.

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