



Minnesota Journal

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A publication of the Citizens League

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Despite relative safety, crime fear rising as youth violence, suburban crime grow

First of two articles. Fear of crime is at an all-time high in the Twin Cities. The Metropolitan Council recently reported that more than 40 percent of people responding to a 1990 metro area survey listed crime as their number one concern—the highest response to any one issue in the 10-year history of the annual survey. *Why* are people afraid? The clue may be that even though the area is relatively safe, changes in who is committing crime and where it occurs have sparked public concern.

Many of the state's crime statistics suggest that people's fear of crime is unfounded.

by Janet Dudrow

- Serious crime has not increased significantly during the past decade, according to the state's Bureau of Criminal Apprehension (BCA) and Minnesota Planning. (Violent crime includes murder, rape, robbery and aggravated assault. Serious crime includes violent crimes and burglary, larceny, auto theft and arson.)
- Statewide, the rate of serious crime per 100,000 population has declined by four percent over the past decade.
- The proportion of all arrests and apprehensions statewide for seri-

ous crimes has shrunk from 29 percent in 1980 to 23 percent in 1991. (Adults are arrested; juveniles are apprehended.)

- In Hennepin and Ramsey counties, arrests and apprehensions for serious crimes also accounted for a slightly smaller portion of total arrests for all crimes in 1991.

- Minnesota continues to be considerably safer than the national average.

The overall crime picture is fairly bright, but some of the figures are more worrisome. Crime, like

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Education funding 'out of sync'

Excerpts from Minnesota School Finance: Traditional Retrofit or Future Pacesetter, prepared for the Minnesota Department of Education by Allan Odden, University of Southern California, January 1993.

...(Minnesota's) education finance policies are no longer trendsetters for the country. Indeed, current Minnesota education finance, and the policy discussions surrounding it, are quite traditional and generally reflect the policy "mold" of the early 1970s. Even the new *Skeen, et al. v. Minnesota, et al.* education finance court case stressed the traditional fiscal neutrality issues that were originally raised during the early 1970s.

This traditional posture on education finance policy, however, stands in stark contrast to the more recent Minnesota initiatives on education program policy, where Minnesota gained a national leadership position in the late 1980s... Minnesota was one of the first states to enact several choice programs... The state also has shifted from assessing school and district quality on the basis of input standards to a focus on outcomes...

While nearly all these program initiatives involve complex finance

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First-termers' push leading to legislative debate on major campaign finance reform

Give first-term legislators a pat on the back if major campaign finance and ethics reform laws pass as expected this session. The large class of new lawmakers, 34 in the House and 16 in the Senate, has prodded the conscience of the Legislature. Many candidates criticized the contributions of special interests to political campaigns and their growing power when they ran for election last year.

"I think some of the reason that

by Betty Wilson

the leadership seems a little more willing (to act in 1993) is because of the push of the freshmen," said first-term Rep. Thomas Huntley (DFL-Duluth).

He refused campaign money from political action committees (PACs) representing special interests. Huntley is a cosponsor of a reform bill drafted by Common Cause that would limit PAC contribu-

tions to candidates. "I think there's too much special interest influence, and with the public financing that is available in Minnesota, we don't need it," he said.

Freshman Mindy Greiling (DFL-Roseville) has also signed onto the Common Cause bill. She limited the amount of money she accepted from PACs to one-fourth of her total campaign kitty. She refused

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Regional challenges, responses: Where should we go?

Proposals are surfacing in both the Legislature and the executive branch to reorganize regional government to better address issues that need regional attention. We need to consider some important questions while looking at the various proposals.

What things need to get done in the metropolitan region? Rep. Myron Orfield (DFL-Minneapolis) and the Metropolitan Council's *Trouble at the Core* report have recently pointed out the poverty and other social problems at the core of the urban area. These complex issues do not respect the myriad of political boundaries we have in place. A number of voices have suggested the need for a stronger regional focus on housing, jobs, economic development, and related social issues.

A quarter of a century ago, the Metropolitan Council was created around a core set of largely physical infrastructure challenges. Today, a new judgment must be made about which issues—though they affect the entire region—can and should be effectively addressed at a local, rather than state or national, level in the murkier waters of social and economic policy.

Viewpoint

by Lyle Wray

What is the present regional government—the Metropolitan Council—suited to do in response to regional issues? Even if a particular issue is regional in focus, that does not imply a role for the existing regional government. It may be that a number of coordinated region-wide programs— analogous to the fiscal disparities program, which redistributes the benefits of business development across the region— might provide the mechanism.

A regional strategy could involve legislated mechanisms for planning among existing entities, with tools for generating resources across the region to meet regional needs. Some activities of the regional government—presently largely a planning agency setting broad policy guidelines—might need to be strengthened, but that need not be the first or best answer for many issues.

How will we arrive at an effective urban vision that holds the regional community together, works for people, and gives us better ideas for the region's challenges? After all the discussion of structure, will we know

where the mechanisms will come from for generating better ways of doing things and for constructing a vision in key areas, such as jobs and housing? Ideas seem to come best from those who have a blend of operational experience but can see that a better way to do business in the region is both needed and possible. We may need a group of policy analysts working on the task, but they won't be able to do it on their own.

Does the present regional government come away with clear priorities from the Legislature? The legislative framework for the Metropolitan Council is very broad. A focus—a small number of priorities—would be appropriate direction from the legislative and executive branches. What regional issues should our regional government address? Is the appropriate response to these issues planning, convening key actors, or operating new systems?

Should we split operating and planning bodies so that operational detail does not drive out broader policy issues? There is considerable ferment on the wisdom of a Regional Transit Board

separate from the Metropolitan Transit Commission. It is important to look at what steps are taken to allow proper focus on policy issues and to allow flexibility in the selection of the actual delivery agent.

What part do we want local units of governments to have in addressing key challenges? Presently, many key areas of concern fall within the responsibilities—though perhaps not the fiscal and other abilities—of local units of government. If a change is to be made in the scope of regional duties, how are local units to be brought onto the problem-solving team? We might consider incentives for cooperation and even mandatory actions.

Does the regional government have sound connections with the people? In other words, is it an elected body? While this is an old issue and is no panacea, elections are our best way of assuring good connection to the people. The current council may be the most invisible layer of government. If it is to take on tough regional challenges, the connection must be strengthened.

Lyle Wray is executive director of the Citizens League.

Dealing with stress at region's core

Edited excerpts from remarks by Dottie Rietow, chair, Metropolitan Council, to the Citizens League on Feb. 23.

One of the trends that were amplifying the region (in the 1980s) were amplified in the central cities and particularly in the core—those households ringing the downtowns of Minneapolis and St. Paul and following along University Avenue.

The poverty in the region did increase, but the numbers increased even more rapidly in the core. There is 28 percent of the region's population in this particular area, and 60 percent of its poor.

The numbers of racial and ethnic minorities increased regionwide, but they, too, were concentrated in the core area.

The makeup of the region's households is shifting, with fewer families with married couples and more headed by single parents. And again, the core experienced these trends to a greater degree.

The region as a whole cannot prosper if it has a middle that is becoming more and more poor and more and more a problem. One of the first things we need to do is act like we are regional citizens. Whenever one part of the region is in stress, we have to deal with that stress.

Another view

The Jan. 26 issue of the *Minnesota Journal* includes a summary of remarks made by Roger Hale, president and CEO of Tennant Corp., to the Citizens League on Dec. 15.

One of the points raised was the growth in manufacturing versus government jobs. I certainly agree with the conclusion that more needs to be done to create manufacturing jobs within the state. At the same time, it should be noted that the growth in government jobs was primarily in the area of primary and secondary education. The reason for the growth in these jobs would appear to be obvious—both increases in enrollment and increased attention to quality education.

I'm more than a little concerned that readers will get the impression that cities are rapidly expanding, when the reverse seems to be true. Without further explanation these statistics would also appear to point to the cause for the state's financial problem. However, the reality is that the problem with state finances is primarily due to increased health-care costs, principally for nursing care and similar facilities and not money provided to cities. I would hope these issues would be more carefully examined in a future *Minnesota Journal* issue.

James D. Prosser, Richfield City Manager

The Minnesota Journal

Publisher — Lyle Wray
Editor — Dana M. Schroeder
Contributing Editor — Ted Kolderie
Sketches — Ray Hanson

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TABLE 2: COMMERCIAL-INDUSTRIAL VALUATION PER CAPITA FOR CALCULATING TAX-BASE SHARING BY COMMUNITY

COMMUNITY (Above 9,000 Population)	1992 Total With Sharing*	1971-1992 Growth With Sharing**	1971-1992 if no Sharing***
Andover	\$ 192	\$ 189	\$ 90
Anoka	330	267	176
Apple Valley	223	215	154
Arden Hills	631	521	708
Blaine	341	329	279
Bloomington	641	497	669
Brooklyn Center	519	427	481
Brooklyn Park	313	296	240
Burnsville	494	419	505
Champlin	182	178	38
Chanhassen	231	216	227
Chaska	445	422	474
Columbia Heights	248	198	80
Coon Rapids	284	267	191
Cottage Grove	281	237	146
Crystal	271	224	124
Eagan	485	450	573
Eden Prairie	646	619	892
Edina	571	401	568
Fridley	531	405	471
Golden Valley	676	460	634
Ham Lake	242	229	136
Hastings	291	252	164
Hopkins	455	321	324
Inver Grove Heights	329	301	276
Lakeville	274	260	227
Lino Lakes	181	171	69
Little Canada	366	346	350
Maple Grove	263	254	224
Maplewood	601	448	558
Mendota Heights	418	364	488
Minneapolis	501	344	360
Minnetonka	547	512	723
Mound	202	167	75
Mounds View	315	300	228
New Brighton	294	260	216
New Hope	418	356	354
North St. Paul	254	226	98
Oakdale	237	227	135
Plymouth	524	488	660
Prior Lake	169	161	73
Ramsey	233	226	138
Richfield	265	199	111
Robbinsdale	223	184	70
Rosemount	425	339	376
Roseville	649	490	652
St. Louis Park	446	299	321
St. Paul	377	258	165
Savage	285	230	183
Shakopee	552	494	632
Shoreview	232	223	191
South Saint Paul#	330	156	7
Stillwater	319	284	263
Vadnais Heights	353	342	378
West St. Paul	340	287	257
White Bear Lake	259	235	151
White Bear Twp.	191	181	113
Woodbury	254	231	218

*The law provides for a one-year lag in the C-I value used to calculate the sharing of tax base. Thus, the C-I value used to calculate base sharing for taxes payable in 1993 is actually from the 1992 tax year. Excluded is C-I value in tax-increment districts established before 1979 and from the city of Sunfish Lake.

**This column shows the growth in C-I tax base per capita, including the shared tax base.

***This column shows what the growth in C-I tax base per capita would have been without tax-base sharing.

#South St. Paul began contributing for the first time in 1992, as a result of a 1991 law change. Its contribution was 40 percent of its C-I growth since the 1989 assessment year.

individual city data presented in Table 2 and various parts of the text. The first two columns of Table 2 were off by \$1 or \$2 per capita for most cities and have been corrected in the accompanying new version of Table 2.

We apologize for the errors. A copy of the entire corrected article, with accompanying tables, is available from the Citizens League office at 338-0791.

State must address growing Hennepin County needs

Edited excerpts from remarks by Mark Andrew, chair, Hennepin County Board, to the Citizens League on Mar. 2.

During the course of the 1980s, the federal government cut us off at the knees. We lost 100 percent of our federal revenue sharing, we lost the vast majority of funds from the CDBG program, and we experienced continual reductions in our basic safety net program— Title XX.

Several other things started happening:

- Radical increases in the demand for services.
- Big increases in case life.

In Hennepin County we are the host to about 70 percent of the murders in the state. We are the host county to almost 53 percent of the most serious kinds of selected crimes—rape, aggravated assault, burglary, and murder. We have two-thirds of the AIDS cases in the state. We have experienced a significant loss in good-paying blue-collar jobs in the county.

The bill by Rep. Myron Orfield is trying to address some of these problems. The bill gets to the issue of providing affordable housing in our cities as a condition of municipalities receiving appropriate local government aid. I think this is an issue that's going to need some sort of government involvement.

We clearly cannot tolerate unbribled development that has the effect of taking jobs that were previously in the city and, in effect, exporting them to other parts of the county. I believe that unconstrained expansion of freeways has the effect of taking redevelopment out of the inner city and pushing them out to the edge of the county. We need to have some sort of involvement of the state Legislature to put some controls on that.

I have some concerns with the part of the bill that eliminates general assistance and creates public works programs.

One of the more controversial aspects of the legislation has to do with an elected versus an appoint-

ed Metropolitan Council. Reform is essential in the Metropolitan Council. I don't think having an all-elected Metropolitan Council is the way to go about that. My sense is that the Metropolitan Council over the years lost its sense of who and what it is.

Thinking citizens have to rise up and not allow the Department of Transportation to implement mindless freeway expansion when they acknowledge that it's not going to solve anybody's problem.

The Orfield bill is a good start, but there are parts of that bill that ought not to pass at the present time.

Schools

Continued from page 1

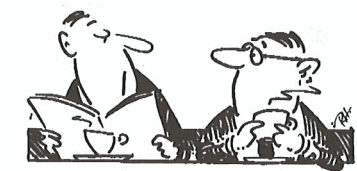
issues...the education finance structure has not been altered to reflect these innovative program thrusts. As a result, Minnesota is now on a course of maintaining an education finance structure that is "out of sync" with its program strategies.

On the program side, policy increasingly targets the school and is outcome oriented, while on the finance side, policy focuses on the district and is input oriented. While the two emphases are not completely incompatible and can be addressed in the short term with ad hoc adjustments, in the longer term it is unlikely that ad hoc adjustments will suffice. Even though the *Skeen* case raises only the traditional education finance issues, it should be possible to completely redesign the finance structure to better fit Minnesota's evolving program initiatives as well as to meet the equity requirements of the court mandate...

It might be time to formally link the issue of school finance adequacy to student outcomes. In this approach, which would be precedent setting, the level of student outcomes would become the determining factor for whether finance and funding were adequate.

To take this approach, Minnesota would need to set clear student outcome goals...For schools that did not meet the outcome targets, the issue would be to determine whether the problem was level of resources (insufficient money) or use of resources (ineffective use of money)...

(A)n outcomes approach to finance adequacy also implies a focus on the site...The key issue is how sites use education resources and how resource level and use are related to student achievement.



Minnesota's educational financial policy ranks about even with professional hockey... we've fallen from grace!

The above approach to adequacy also implies a management approach that decentralizes power, responsibility, and accountability to the organizational unit where education services are actually provided, i.e., the school...

These notions fit with evolution of education program policy in Minnesota...Nearly all of the recent program policy initiatives Minnesota has enacted have targeted the school as the key organizational

"Minnesota is maintaining an education finance structure 'out of sync' with its program strategies."

unit for implementation and management...

Several implications for education finance policy are implied by the outcomes drive and site-based managed directions in which Minnesota program policy has been moving.

Develop clear student outcomes. Minnesota needs a set of clear student outcomes and measures of them...The outcomes goals...must be clearly identified, public and measurable.

Consider funding schools rather than just districts....A radical alternative would be to eliminate districts as they now exist, create a much smaller number of regional service units, and fund schools directly...This would mean each school would receive the \$3050 foundation expenditure level, plus categorical aid for its special students.

A less radical approach would be to drive by state law a fixed percent (80-90 percent) of the \$3050 foundation expenditure level and categorical program dollars directly to schools in a lump sum.

Both of these strategies could then be coupled with new authorities that would allow schools to decide how to spend the money, subject to control only over the total budget. Such authorities would include allowing sites to hire the mix and type of staff they believed necessary to accomplish their school goals.

A school-based funding approach also is compatible with Minnesota's choice program...(and) with a move to authorize a greater number of Charter Schools. Indeed a school-based finance structure would be quite similar to a system of Charter Schools...

Consider switching the referendum levy from districts to schools. Even if the referendum levy were eliminated as a *district* option, parents at individual *educa-*

tional sites might want to raise more money than the state would provide...

A possible alternative is to allow schools to raise more money, but only through a new type of "school-based-referendum-levy," which could operate in conjunction with the state's income tax. The idea would be to allow parents at schools to approve, by some type of majority vote, a surcharge on their state income tax. The state would set a yield schedule that would guarantee the same per pupil yield for each school, regardless of the income of the families in the school...

This mechanism would meet the requirement of the *Skeen* court ruling, which does not prohibit a referendum levy but clearly requires that raising funds above the foundation level must be limited and available to all on an equal basis...

Develop and implement a school-based information system....Such a system should contain school site information on revenues, expenditures, student achievement, teachers, parent satisfaction, etc...In addition,...the state should require each school to publish an annual school report, describing its educational approach, student outcomes, student and teacher characteristics, financial condition, including sources and uses of revenues, and other pertinent information about the school...

Substantially increase human resources development funds....(T)he state should consider earmarking 2-4 percent of the foundation expenditure level for ongoing staff development...

Add a school improvement program to Minnesota's education program strategies. Minnesota might want to create a school improvement program that would drive \$50-\$100/pupil to sites for the purpose of designing and implementing school restructuring programs...

Change the basic structure of teacher compensation....A knowledge and skills based pay structure is more compatible with decentralized management...

The beginning salary would only be paid to an individual who had met rigorous teacher licensing standards, preferably through a system which directly assessed beginning teacher knowledge and skills...

Salary increments above beginning pay would...be available only when teachers, usually through peer review, showed that they had and could use a specified set of knowledge and skills...

(A) salary boost also could be available for certification by the National Board for Professional Teaching Standards, which is certifying advanced, experienced teachers on the basis of knowledge and skills...

Tenure could be included as a knowledge and skills milestone somewhere between initial licensure and National Board Certification...

(R)ather than being paid for seniority, teachers would earn more when they knew and could do more.

Add a group-based performance rewards component to the compensation structure. This is *not* a proposal for an individual incentive or merit pay proposal. It is a proposal for rewards for groups of faculty, usually all faculty in a school, if the school met or exceeded performance improvement targets.

Crime

Continued from page 1

poverty and other measures of urban distress, continues to be concentrated in the seven-county metropolitan area, especially in the central cities of Minneapolis and St. Paul. According to the Metropolitan Council's recent report, *Trouble at the Core: The Twin Cities Under Stress*, the overall crime rate in 1990 was two to three times higher in the central cities than in the rest of the metro region. The rate of violent crime was as much as 10 times higher.

The metropolitan area is spreading outward, however, and so are many central-city problems, including crime. As population has grown in the outer-ring suburbs, so has the number of crimes in those areas. According to Hennepin County's Office of Planning and Development, violent crimes more than doubled in the county's suburbs between 1986 and 1991.

What may be the most disturbing change is the increased involvement of youth in violent crime. "What's different today is the young, violent, apparently senseless male," said Jeri Bovert, community program specialist in Minnesota's Office of Drug Policy.

Juvenile apprehensions for serious crimes increased 16 percent statewide between 1985 and 1990. The number of juvenile apprehensions for violent crimes increased 88 percent between 1980 and 1990, to 1,383 apprehensions. In Hennepin County, juvenile apprehensions for violent crime have been increasing as a proportion of all juvenile arrests, reaching an all-time high of 12.1 percent in 1991.

Carrying a weapon—"packing"—is increasingly common among teens, according to Boisvert. In the Minneapolis Public Schools last school year, 19 students were expelled for carrying weapons and 14 students each from the St. Paul and Anoka-Hennepin districts have been expelled this school year, the *Star Tribune* recently reported.

Important to note that violent crime by youth and violent suburban crime are still a very small portion of the crime picture. Of the

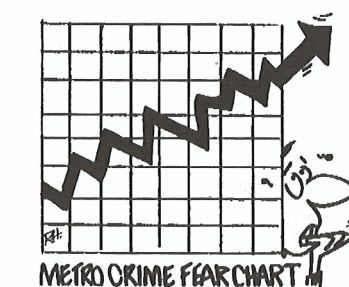
nearly 182,000 adults and juveniles arrested for all crimes in 1990, juvenile apprehensions for violent crime accounted for only 1,383, or less than one percent. And suburban violent crime, though it has increased, is still relatively rare. But the changes are "news" and appear to be driving up public concern.

Bloomington's Chief of Police Robert Lutz said that 25 years ago crime was something that was seen as happening "on the other side of the tracks." Victims were judged by other citizens as having gotten themselves into trouble, he said, and people thought, "They're shooting at each other, so who cares?" Today, the crime threat seems closer to home. The victim can be a mother arriving home from work with her young children to find an armed teenager in her home, Lutz said.

To Spike Moss, director of at-risk youth services at The City, Inc., the fear has a racial dimension. Recent media attention has focused on incidents of black-on-white crime, and the reaction among many whites has been "blacks are committing crimes against white people, so now it's a crime problem," he said.

Some say that violence is due in part to increasing economic disparities and the heightened fear to a growing gulf of distrust between the "haves" and "have-nots." The implication is that if core-city problems such as poverty deepen and spread, and the economic polarization of the Twin Cities continues, increases in crime and fear will be inevitable.

The relationship between poverty and crime is anything but clear, however. Serious crime does tend to be higher in local communities with higher concentrations of poverty. The conventional wisdom has been that "poverty is a fertile field for crime," according to



Lutz, who has been skeptical of that wisdom.

But the accumulated evidence shows clearly that poverty does not cause crime, according to Kathryn Guthrie, a criminal justice planner with Minnesota Planning. For example, women are much more likely to be poor than men, but they are also less likely to be arrested for serious crimes. However, Guthrie said, even though the precise cause-effect relationships may not be clear, "you've got to believe there's a connection of some kind."

Lucy Gerold, director of the community services bureau in the Minneapolis Police Department, said that certain neighborhood characteristics can be early warning signals of increases in crime. The characteristics—high mobility, a high proportion of single-parent families, a large number of single-family homes that are converted to rental property, and the prevalence of poor prenatal care—don't *cause* increases in crime, but when several of the factors occur together, crime rates often rise later. Moss says that crime stems not from poverty itself but from lack of any hope of ever escaping poverty. "Nobody talks about the fallout of dreams," he said. "Dreams that are killed come back in all sorts of ways," he said.

For the public and policymakers, making sense of crime trends is complicated by difficulties in collecting and interpreting crime information. Not all crimes are reported. Different pictures emerge depending on whether arrests, convictions, or reported offenses are counted and whether total numbers or rates are reported. People may forget that a dramatic *increase in the rate* of a particular crime doesn't necessarily mean the crime is common.

Even more problematic, Moss said, is that attitudes that usually go unnoticed—but often distort the "facts"—influence who gets arrested and how things are counted. For example, there were 493 African-American youth apprehended for violent crime in 1990 in Minnesota, compared to 667 whites, according to the BCA. Taking into account the difference in the size of the black and white populations, African-American youth were

almost 24 times more likely to be apprehended for these crimes than white youth.

That doesn't necessarily mean that black youth commit more crime, Moss said. It may instead reflect differences in how kids who have caused trouble are treated by authorities. With white youth, adults usually respond to the first incident by reprimanding, the second incident by contacting parents, he said. Only later is the young person arrested, and even then he may be diverted from the court system. "The African-American kid makes it all the way to court on the first offense," Moss said.

The media, too, tend to focus crimes by black males. The result of these patterns is that citizens become afraid of all African-American males, Moss said, and that, in turn, affects arrest practices. Jim Nelson, executive director of The City, Inc. added that "we haven't invented a logic system to figure out" how attitudes and facts shape each other when it comes to crime.

Should people be afraid? Lutz's view is that the increase in citizens' concern about crime is a good thing. "The level of crime we have become accustomed to is intolerably high," he said. The challenge will be to put the increased concern to productive use while curbing fears that aren't warranted.

Education about crime prevention helps. So does teaching people how to respond if they do find themselves in dangerous situations. Efforts that strengthen ties among neighbors both prevent crime and help people feel safer. And the media's role in perpetuating or reducing stereotypes of African-American males can't be overlooked. Ultimately, Gerold and Nelson said, preventing crime and fear is a long-term community-building process that must involve whites and people of color, city and suburbs, the media and citizens.

An article in next month's *Journal* will explore innovations in law enforcement and crime prevention in the metro area.

Janet Dudrow is a research associate at the Citizens League.

Editors support efforts to prevent compulsive gambling

Hibbing Daily Tribune endorsed (Feb. 14) bills to raise the casino gambling age to 21: "It's a step toward a little sanity in what has become a pretty crazy turn of events." St. Cloud Times agreed (Feb. 10): "While it would be naive to think that amending the law would protect all Minnesota teenagers from the clutches of gambling fever, it would be unrealistic to think that it wouldn't help." Worthington Daily Globe concurred (Feb. 20): "Raising the casino gambling age will reduce the gambling outlets that could result in compulsive gambling by youngsters." Star Tribune said a change in the gambling age was not worth doing but endorsed (Feb. 24) a bill to quadruple the money available for treating compulsive gamblers: "They need help—and lottery, pulltab operators and casinos have an obligation to provide it." International Falls Daily Journal was concerned (Mar. 1) that Minnesota's lottery doesn't raise enough money for the state. "If Minnesota is going to have a lottery, it should at least produce revenue that makes it worthwhile."

Star Tribune was pleased (Feb. 17) to note that "After years of drifting and indifference toward regional problems, the 1993 Legislature is suddenly awash in ideas for revitalizing the calcified, quarter-century-old Twin Cities metro governing system... With so many good and thoughtful ideas on the table, this ought to be the year for a real breakthrough in metro legisla-

On Balance

No limits on compulsive opining in Minnesota newsrooms.

tion. That breakthrough should include honoring the fundamental democratic right of Twin Cities residents to elect their metropolitan representatives." St. Paul Pioneer Press endorsed (Feb. 16) the Metro Council's proposal to centralize transit planning and policy-making under the Council: "It would go a long way toward streamlining transit planning and policy-making, reducing administrative overhead and improving accountability."

St. Cloud Times called for (Feb. 16) a series of measures to get tougher with drunken drivers. "There's reason to move slowly when it comes to added spending. But there's no good reason to delay other get-tough measures, such as lowering the blood alcohol level, establishing a low tolerance for underage drinking drivers and extending revocations." International Falls Daily Journal endorsed (Feb. 17) a "not a drop" standard for drivers under 21 as a "good way for young people to understand that they cannot even drink one beer and drive without facing consequences that could mean losing their licenses for 30 days on a first conviction."

Star Tribune criticized (Feb. 19) critics of Gov. Carlson's proposal to raise tuition at public colleges

and expand middle-class tuition aid. The critics "unwisely imply that low- and middle-income students ought to be denied access to private colleges...Such a policy of class separation would be detrimental to both public and private colleges and most of all to needy students themselves." Red Wing Republican Eagle argued (Mar. 2) that "Higher tuition, though painful in the short term, is about the only way to generate a climate of consumerism in education, which is non-existent today." Fergus Falls Daily Journal disagreed (Feb. 26), saying that the state "appears to be divesting in public education and reinvesting in private."

Duluth News-Tribune took a different view (Feb. 12), saying that "The only real answer is to cut the number of students attending the costliest form of public higher education... We need more young people in technical colleges and more in community colleges." And, on a related issue, Mankato Free Press called for (Feb. 6) reversing the planned merger of three post-secondary systems, "in favor of a renewed effort to better coordinate efforts among the three college systems, while leaving them as independent entities with clearly different missions."

the now popular legislation. Both would apply only to candidates accepting public campaign financing.

● The "Common Cause" bill, a consensus package of sweeping reforms put together by a 23-member bipartisan task force of the government watchdog organization. It would sharply reduce the limits on campaign contributions and reduce, but not abolish, the participation of PACs and lobbyists in campaign financing. Senate Assistant Majority Leader William Luther (DFL-Brooklyn Park) is the chief Senate sponsor. Rep. Wally Sparby (DFL-Thief River Falls), chair of the General Legislation, Veterans Affairs and Elec-

tions Committee, is the chief House sponsor.

● A tougher bill introduced in the Senate by Sen. John Marty (DFL-Roseville), chairman of the Senate Ethics and Campaign Reform Committee. Marty says his intent is to allow only small individual contributions to campaigns. The bill would ban contributions from PACs and lobbyists to candidates who accept public financing. There is not yet a House companion bill.

Both bills incorporate many of the recommendations made by a Citizens League committee in a report last summer, Reform the Election Process; Restore the Public Trust. (See the accompanying table for a

West Central Tribune of Willmar endorsed (Feb. 12) proposals by the Commission on Reform and Efficiency (CORE) to consolidate state agencies. "The private sector has made a lot of progress in this decade of quality, customer service and competitive pricing. It's about time the public sector does, too." Fergus Falls Daily Journal said (Feb. 18) the CORE report should be seen as a "good beginning: As a chance to reconsider the state's welfare system, to phase out unproductive state agencies and commissions, to streamline the way the state makes rules and regulations." Similarly, Republican Eagle agreed (Feb. 19): "CORE's recommendations should be the impetus to rethink how services can be delivered in a cheaper and friendlier way to the customer."

Star Tribune said (Feb. 24) that the \$31 million verdict against the city of Minneapolis in the LSGI case is "an outcome that (Mayor) Fraser, the City Council and everyone else in City Hall should have seen coming five years ago." BrainerdDaily Dispatch noted (Feb. 25) that the bill for damages amounts to about \$85 per Minneapolis resident: "Now that is something to be embarrassed about."

Pioneer Press commended (Feb. 18) University of Minnesota President Nils Hasselmo's "painful decision to force (Dr. John) Najarian's resignation as chief of surgery," saying it was "necessary and courageous."

comparison of the proposals.)

Common Cause Executive Director Joan Higinbotham agrees the government watchdog group's bill doesn't go as far as Marty's. The Common Cause bill is a realistic proposal that has strong support, particularly in the House, she said.

"Our basic concern is that we get some real reform out of this session," she said. She is optimistic that the 1993 Legislature will pass a meaningful reform bill. "Citizens regrettably think their vote doesn't count. They think the system is controlled by people who have a lot of money," she said.

Continued on page 7

Campaign

Continued from page 6

The two bills have several major differences. Marty would limit all contributions to \$100 in election years and \$50 in nonelection years. Common Cause would significantly reduce current contribution limits but leave them higher than Marty's. Marty would eliminate contributions from PACs, lobbyists, and political parties. Common Cause would allow them but set an overall limit on contributions from PACs, lobbyists, and large donors.

"If you outlaw PACs to get at that money in the system, it just goes under the table somewhere else," said Higinbotham.

Luther said one particular problem with the Marty bill is that it weakens the influence of political parties in the election process, a claim Marty denies.

Marty argues that the Common Cause bill is short of real reform. If the 1993 Legislature passes the Common Cause bill, Marty predicts it will be back for beefing up next year. "I think the public has to go further," he said.

Marty is encouraged by backing announced for his bill from supporters of H. Ross Perot, who have made it their mission for the session. "I think their support is indicative of the kind of change the public supports," said Marty.

Others say both Common Cause and Marty may "out-ethic" themselves and discourage people from running for office or cause candidates to reject public financing because of too many strings attached.

The Common Cause and Marty bills agree on several key provisions aimed at correcting abuses: No cash transfers among committees; abolishment of "Friends of" committees that circumvent the law and send favored candidates extra money; no public subsidies for unopposed candidates. Both bills would increase public financing from \$9 million to about \$11 million for the coming biennium. Common Cause would give an incentive for candidates and campaigns to agree to contribution and spending restrictions.

COMPARISON OF CAMPAIGN FINANCE REFORM PROPOSALS

Contribution Limits for Election Year/Nonelection Year	Current State Law	Current Cause Bill	Sen. John Marty's Bill	Citizens League Report
From Individuals:				
Governor	\$ 20,000 /\$3,000	\$ 6,000*	\$ 100/\$50	N.C.**
Attorney general	\$ 10,000 /\$2,000	\$ 2,000*	"	N.C.
Other constitutional offices	\$ 5,000 /\$1,000	\$ 1,000*	"	N.C.
State senate	\$ 1,500 /\$ 500	\$ 1,000*	"	\$1,000/N.C.
State house	\$ 750 /\$ 250	\$ 500*	"	\$ 500/N.C.
Local government offices	None	\$ 1,000*	"	N.C.
From Political Parties:	5 times the indiv. limits	10 times the indiv. limits	Banned if receiving public funds	N.C.
From PACs, Large Donors,*** Lobbyists:	Same as indiv. limits; no aggregate limits	Aggregate limit of 10 times the indiv. limit	PAC, lobbyist contrib. banned if receiving public funds	PAC contrib to cand. & legis. caucuses banned but not to parties
Caucus Fundraisers During Sessions	Allowed	N.C.	Banned	****
Transfers Among Campaign Committees	Allowed	Banned	Banned	Banned
"Friends of" Committees	Allowed	Banned	Banned	Banned
Public Financing for Unopposed Candidates	Allowed	Banned	Banned	Banned

*The Common Cause limits are for an entire election cycle. **No change.
***Large donors would be those who give more than one-half the single contributor limit for an election cycle.
****Doesn't address caucus fundraisers, but calls for change in law that now bans contributions to any candidate during the session to allow contributions to nonincumbents.

The Common Cause bill keeps the income tax checkoff for public campaign financing and the \$50 refund system for individual campaign contributions. It would distribute checkoff money going to each party equally among legislative districts, replacing the present system that takes into account votes the party received in past elections in that district. It would also give state matching funds up to a total of 40 percent of the candidate's spending limit as an incentive for candidates to raise a required amount in their own districts, or in the state for statewide candidates. It would allow 10 percent higher spending limits for first-time challengers.

The Marty bill, in contrast, eliminates the checkoff and state elections campaign fund and would pay for public financing from the general fund. It would keep the \$50 refund. It would increase the public subsidy to two-thirds of the candidate's spending limit if the candidate agrees to abide by the limit. The bill reduces campaign spending limits and bans "bundling" of

campaign contributions, so one candidate could not collect money from a single source to pass on to other candidates.

Like Marty's bill, the Citizen League calls for replacing the checkoff system and providing public financing from the state general fund. It proposes dividing the funds equally between the two candidates who win the primary election for a given seat and requiring candidates to raise a certain level of contributions from individuals within their own districts to receive public financing.

The League would require candidates to give any leftover campaign money to the state general fund at the end of the election year. It would count post-session mailings by legislative candidates, or any mailing paid for by a candidate's campaign committee, as a campaign expenditure. It would also expand public financing to local candidates with money to come from local governments.

Although proponents say both bills are balanced, DFLers and IRs

each will be jockeying for political advantage.

Earlier this month campaign finance reform was bogged down in the Senate Ethics and Campaign Reform Committee. DFL Senate leaders, nervous over the Marty bill's drastic restrictions, haggled over the novel idea of whether to pass out both it and the Common Cause bill.

Independent-Republicans said DFLers appeared to be filibustering the committee chairman's bill. Sen. Pat Pariseau of Farmington is the lead Independent-Republican senator on campaign finance reform. She's concerned that any proposed legislation will be watered down as it moves through various committees to the floor and in conference committee. There may be more backing among IR senators for the Marty bill, she said.

Betty Wilson is a free-lance writer and a regular commentator on Minnesota Public Radio. She is a former Star Tribune political writer.

Ideas on property tax reform converge; action lacking

Inaction on property tax reform is not for lack of ideas on what needs to change. Three of the most recent reform proposals have a lot in common, even though they come from quite different sources: the Minnesota Taxpayers' Association, the Minnesota Department of Revenue, and, the latest, from the team of Rep. Steve Kelley (DFL-Hopkins) and Rep. Pam Neary (DFL-Afton).

Some key similarities among the three proposals:

- Shifting the emphasis away from state-provided property-tax relief to cities and other local units of government. Targeting relief directly to homeowners and renters, based on income.

- Reducing Minnesota's multiple property classifications to three or four at the most.

- Distributing local government aid according to communities' fiscal need and capacity, not—as is currently the case—historical spending levels.

- Increasing the accountability of local officials to their taxpayers by relying more on local revenue for truly local services. Assuming a larger state responsibility for services in which there is a statewide interest, such as elementary and secondary education.

- Allowing local governments to impose a fee on property exempted from taxation, such as hospitals and cemeteries.

As of this writing, legislative leaders have not yet agreed to hear the Kelley/Neary proposal.—*Jody A. Hauer.*

Charter schools, pioneered in Minnesota, have gotten a lot of attention nationally as an important part of school reform. Two recent proposals would back the concept of the outcome-based, teacher and parent-run schools with money, as well as praise.

Gov. Arne Carlson's supplementary budget proposal set aside \$6.2 million for a three-part charter schools development fund: \$3.8 million for start-up cash flow loans for charter schools; \$2 million in planning grants for charter

schools; and \$400,000 for a computerized school information guide—focused on the metro area—to allow parents and learners to make informed school choices.

On the national level, Sen. Dave Durenberger is spearheading a bipartisan effort in Congress for legislation to authorize grants to states with charter schools. The funds would help finance start-up expenses for new charter schools.—*Dana Schroeder.*

Blue Cross and Blue Shield of Minnesota, the state's largest health plan company, is early in the process of developing a new five-year strategy. The company's top executives are considering a variety of alternatives, including the approach taken by some Blue Cross companies in other states.

Two Blue Cross plans recently spun off their managed health-care operations to create a publicly traded stock company. Two years ago, the Wisconsin Blue Cross plan took its health maintenance organization (HMO) and several other operations and created United Wisconsin Services, which is traded on the National Market System.

Earlier this year, Blue Cross of California had a very successful public offering of stock in a new company called WellPoint, which combined its HMO and other managed-care businesses. Leonard Schaffer, CEO of Blue Cross, is the former president of Group Health in Minnesota.—*Allan Baumgarten.*

Minnesota is in the forefront of adaptive sports, according to a recent feature in *Education Week*. Soon high school students with disabilities will have the opportunity to compete on teams in the Minnesota State High School League, making the state first in the nation to provide interscholastic athletics for students with disabilities.

The private Minnesota Association for Adaptive Athletics, founded in

Take Note

*"Cautious, careful people...never can bring about a reform."
—S.B. Anthony*

1970, currently offers two divisions with three sports each for students from 21 districts. That program will be integrated into the state league this fall, serving metro area and Rochester students. A plan to include other greater Minnesota communities is in the works.—*Janet Dudrow.*

Sen. Roger Moe (DFL-Erskine) has suggested a pilot project to free up state agencies from civil service and other regulations. The Minnesota Housing Finance Agency, Moe suggested, might be a good place to begin. MHFA Director Jim Solem has served governors of both parties. Solem, however, isn't sure he wants his agency to be out there in the spotlight. Not all alone, at any rate.

Happily, two other agencies have now volunteered: the Minnesota Zoo and the State Auditor (whose head, Mark Dayton, is the only constitutional officer with civil service employees).—*Ted Kolderie.*

School-based clinics in five high schools and two junior highs in St. Paul provide prenatal care for teen mothers, family planning education, counseling and prescriptions, and other services needed by adolescents. Funded by over 20 foundations, Health Start charges nothing and often is the only provider of general health services for uninsured or underinsured teens.

A random survey of 100 female

students requesting reproductive health services found that 56 percent lived with one or neither parent and many had experienced physical abuse, sexual abuse, emotional or verbal abuse, and/or chemical abuse.

Minneapolis also has school-based clinics, but they are developed by the schools and have rotating doctors and nurses. The Health Start program provides the same personnel to serve each school and has minority staff that reflect the minority population within the school.—*Marilou Fallis.*

Picking a name for a new health care company is no easy task, as the state, local hospitals, and HMOs have discovered. After a lengthy search, it was announced this month that the parent company of Group Health and MedCenters will be called HealthPartners. The parent company was formed last August when the two HMOs merged.

Students of HMO history in Minnesota will appreciate the name choice. In 1985, a short-lived HMO named Health Partners created, serving enrollees in northwestern Minnesota and the Brainerd area. The HMO lost most of its initial capital and was declared insolvent in 1987. The demise of Health Partners and another HMO insolvency persuaded the Legislature to adopt stringent capital requirements for HMOs in 1988.—*A.B.*

Contributors to "Take Note" this month include Minnesota Journal and Citizens League staff members and Jody A. Hauer, State Auditor's Office.

**Minnesota Journal
Citizens League
Suite 500
708 S. Third St.
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Citizens League Matters

March 16, 1993

News for Citizens League Members

Welcome new members

Henry Blumberg, Pamela Burkley, Phil Cohen, Amy Klobuchar, Robert D. Moe, Liz Snyder, Jeff Stoebner, Adolph Hill and Lynn Schoenstedt.

Thanks to solicitor: Bill Johnstone.

Thanks to supporting firms

New member: West Side Community Health Center, Inc.

February renewals: Apogee Enterprises; Barr Engineering; Bassford, Heckt, Lockhart, Trusell & Briggs; Bemis Company; Blue Cross & Blue Shield of Minnesota; Ellerbe Becket and Evensen-Dodge, Inc.

International Dairy Queen; Lutheran Brotherhood; Marsh & McLennan, Inc.; Minnesota Private College Council; Minnesota Trucking Association; Nash Finch Company and Norwest Banks.

Robins, Kaplan, Miller & Ciresi; Rosemount, Inc.; Schwarz, Strommen & Associates; The St. Paul Companies; Vinnell Corporation and Waste Management Company.

New Mind-Opener series explores the business of the environment

Businesses are showing a remarkable interest in environmental issues. Some see emerging business opportunities in environmentally-oriented products or services. Some are exploring "green labeling" of their products, while others have incorporated visible expressions of support for pro-environmental policies in their business strategies.

On the next four Tuesdays, the Citizens League Mind-Opener breakfast series will present four views of how some of Minnesota's leading businesses—large and small—are focusing on the environment. All meetings are at the University Club, 420 Summit Avenue, St. Paul, from 7:30-8:30 a.m.

On Tuesday, March 16, Robin Young, Chief Executive Officer of Environmental Technologies USA, Inc., will speak on "Where are the environmental business opportunities?" Young was a leading technology analyst for local brokerage firms before getting into business for himself. He is also co-founder of the Environmental Industries Association of Minnesota.

On Tuesday, March 23, George Hite, Vice-President of Government Affairs, Dayton Hudson Corporation, will speak on "Recycled shopping bags and kids saving the earth." Different divisions of Dayton Hudson have incorporated environmental concern into their marketing strategies.

On Tuesday, March 30, Barbara Schonwetter, Minneapolis franchisee for The Body Shop, will speak on "Buying environmentally correct and looking good." The Body Shop is a nationally franchised retail operation selling environmentally sensitive cosmetics and other products. It also incorporates its political views in dealings with suppliers in foreign countries.

Task force examines regional challenges, regional governance

President John Brandl has named Bill Johnstone to chair a special committee examining legislative proposals to change regional governance and mandate a larger role for the Metropolitan Council in addressing poverty in the region. Johnstone is a partner with Dorsey and Whitney and a member of the Citizens League board. He chaired the 1984 League study committee that produced the report, *The Metro Council: Narrowing the Agenda and Raising the Stakes*.

Though this will be a short study, the committee may also outline

On April 6, Eric Bloomquist, President, Rasmussen Millwork/Colonial Craft, will speak on "'Green' labeling and certification." Bloomquist is heading green labeling initiatives in his own company and the Minnesota Wood Promotion Council.

Call the Citizens League at 612/338-0791 for reservations and more information.

the fundamental policy issues affecting the region and its population as a framework for a longer study.

Members of the committee are: Justice Sandra Gardebring, Minnesota Supreme Court; Joe Gasper, Purchasing Manager, 3M Company; Ruby Hunt, Ramsey County Commissioner; Amy Klobuchar, Attorney, Dorsey and Whitney; Barbara Lukermann, Senior Fellow, Humphrey Institute of Public Affairs; David Rodbourne, consultant and co-chair of the Program Strategy committee; Donald Scheel, former Washington County commissioner; Bill Schreiber, former House Minority Leader and assistant to the Commissioner of Transportation; Clarence Shallbetter, public policy consultant; Judge Richard Solum, Hennepin County District Court; and Gertrude Ulrich, community activist.



Bill Johnstone is chairing a special panel examining regional issues.

State spending Speak Ups! redesign design principles

Nearly 100 people signed up for the recent series of Speak Ups! on the state budget problem. The purpose of these roundtables was to solicit feedback about the Committee on State Spending's preliminary conclusions about the budget problem and its proposed "design principles for government reform."

Each of the four nights focused on a different major spending area. Moderators and the participants used specific examples within the issue area for testing the committee's design principles. It was the first time that the committee's thinking was exposed to a wider audience; in effect, this round of Speak Ups! was a reality check for the committee.

Taken as a whole, the membership Speak Ups! made a very useful contribution to the State Spending Committee's work.

While generally agreeing with the direction of the principles, participants helped refine and clarify the principles. As a result of the Speak Ups! the principles are more carefully reasoned, better articulated and easier to understand through more concrete imagery and less abstraction.

Many thanks are due to the moderators, who did an excellent job of stimulating comments, to the hosts, for so generously sharing their homes and to all the participants, who devoted an evening of their busy lives to improve Minnesota's government.

Hosts were: **Jim Dorsey, Barbara Lukermann, Milda Hedblom, Dick and Lila Moberg, and John Brandl.** Moderators, most of whom are members of the study committee, were: **Paul Gilje, Jean King, David Rodbourne, Lyall Schwarzkopf, and Allen Olson.**

Legislative update: League's views on local services, election reform and libraries advance

Local government services: Senator Ember Reichgott introduced a bill to implement several recommendations from the League's recent study of local government services. Her bill expands the ability of local governments to seek waivers from state mandates and rules to organize services more efficiently and effectively. Committee co-chairs **Larry Bakken and Bill Blazar** are working with Reichgott.

It creates a new state board that will review the waiver requests and will also distribute incentive grants to local governments that would coordinate or consolidate their services.

Election and campaign finance reform: Senate committees have been considering two bills that incorporate recommendations of the League's recent report, *Reform the Electoral Process, Restore the Public Trust.*

Libraries: Senator Randy Kelly authored a bill that calls for a study of the capital needs of metropolitan area libraries and their planning for future information needs. A *StarTribune* editorial endorsed the bill and noted that the Citizens League's 1991 report on libraries in the region called for a regional approach to library services and facilities.

CITIZENS LEAGUE

A community resource

For more than 40 years, the Citizens League has helped shape the unique character of this metropolitan region. Here are just a few examples of how the League, through its new strategic direction, contributes to improving the public life of this region.

Citizens League on TV

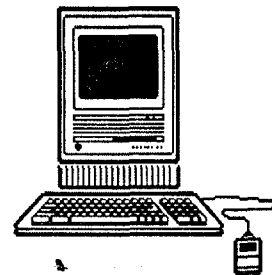
Regional cable TV channel 6 will broadcast tapes of the Citizens League Mind-Opener breakfast meetings on work force training and economic competitiveness.

On Friday, March 19, at 10:30 p.m., viewers can watch the presentation by Nils Hasselmo, President of the University of Minnesota.

Viewer feedback is always welcome. Call Phil Jenni with your comments.

Citizens League On-Line

Last fall, the League launched Citizens League On-Line, an electronic public affairs bulletin board. It uses common technology to help people connect with the Citizens League and with public policy debate.



Use of the new service has grown steadily, and League staff are uploading new materials and striving to make the service more useful.

comment or to learn how to use the service, call Marilou Fallis.

Calendar of events and meetings

March 16, 7:30 a.m. Mind-Opener breakfast meeting with Robin Young, at the University Club in St. Paul.

March 16, noon, Board of Directors meeting, Town & Country Club, St. Paul.

March 18, 5:00 p.m., State Spending study committee, Hamline University, St. Paul.

March 19, 7:30 a.m., Legislative Network, Kelly Inn, St. Paul.

March 23, 7:30 a.m., Mind-Opener breakfast meeting with George Hite, at the University Club in St. Paul.

March 25, 5:00 p.m., State Spending study committee, Hamline University, St. Paul.

March 30, 7:30 a.m., Mind-Opener breakfast meeting with Barbara Schonwetter, at the University Club in St. Paul.

April 1, 5:00 p.m., State Spending study committee, Hamline University, St. Paul.