Teacher salary raises bring program cuts
by John Kostouros

The latest round of teacher contract negotiations (for the years 1999-2000 and 2000-01) produced the largest compensation increase in a decade and appears to be producing widespread program cutting to pay for the raises. While the raises individual teachers will vary, on average the increased cost to districts will run about 10 percent outstate and 12 percent in the metro area over the two years.

Critics have characterized the settlements as irresponsible financial mismanagement by school boards, and a greedy money grab by teacher unions. Defenders of the settlements say they simply reflect the imperatives of labor market conditions, including a shortage of teacher applicants in many subjects and rising wages in industry for people with college degrees.

The truth probably incorporates both positions. It’s hard to argue, for instance, that a school board agreeing to pay raises far beyond its ability to pay without significant program cutting is responsible financial management. You’re just not supposed to cut programs for kids to give the employees a big raise. (Other school costs like health insurance have also risen, contributing to the deficits. But salaries are more than 80 percent of the cost of running schools and teacher salaries are the bulk of that, averaging about two-thirds of the total.)

“The governor and legislative leaders have a hard time understanding how you can agree to pay more than you have coming in,” Department of Children, Families and Learning (CFL) Commissioner Christine Jax told a Minnesota School Boards Association (MSBA) gathering last month. The big deficits seem especially puzzling when contrasted with the $800 million two-year increase in state funding approved by the Legislature last year. (MSBA President Becky Montgomery of St. Paul says schools only really got half that money. The rest went for property-tax relief. But that’s a whole other argument.) The Legislature could appropriate more money before it adjourns in April, but observers consider it highly unlikely during this session, which is not a budget session.

School board members defend the agreements two ways: They say the big raises were necessary to make up for years of flat wage growth and to attract and keep good teachers. And they plead that they were steamrollered by too-powerful teacher unions and by state laws that favor the unions at the bargaining table.

Board members complain that the pressures to settle for more than
Continued on page 6

Workforce shortages differ by occupations
by Todd Graham

Workforce shortages have been discussed at length over the past few years. And with unemployment rates at a historically low ebb—1.9 percent in the Twin Cities area in 1999—shortage conditions remain an ongoing feature of the regional economy. Business community polls reveal that recruitment, retention and training are considered the most important issues facing Minnesota businesses. But the public and the media are still unclear on what parts of the job market are most impacted.

Clearly some industries have successfully publicized their needs—and successfully lobbied for targeted workforce development resources. (See “Fund three MnSCU ‘Best in Class’ printing centers” by Renee McGivern and Kel Johnson in the Jan. 25 issue of the Minnesota Journal.) The question is: Are these the industries with the greatest need?

A new study initiated by the Metro Workforce Investment Board and administered by the Minnesota Department of Economic Security
Continued on page 6
Strand: A best-health care system in Minnesota

Editor's Note: At the Feb. 8 Citizen
Meeting, Minnesotans with Disability
sought to create a "best" health-care system for the future February 17. Below is an edited transcript of his remarks.

First and foremost, a "best" system would put the doctor in the driver's seat of health care. Today's doctors are the people who know the most about employers and about brokers. They are the people that get driven into a hospital parking lot, you know, who when they get the best parking space? The doctors do, because the doctors put patients in the hospital. Today many physicians are still uncomfort-
able even thinking about the patient as a customer. But if this health-care system is going to improve, it is going to have to put the consumer in the driver's seat. A consumer that, by the way, is armed with better information. Who is going to interact with you and your family about the health care you need—monitoring conditions, recording test results, etc. This will be a major opportuni-
ty for us to reconnect patients and physicians. It will allow us to connect physicians with patients. Through telemedicine we'll be able to connect the best surgeons in the world with surgeons in small towns. This kind of innovation, this kind of collaboration, will enable better decision-making.

Fourth, our best system would reflect a better community conscience on how to allocate limited dollars available to meet the growing demand for health care. This is a real problem for our community and perhaps the reason for much of the media attention and backlash. It is evident that there is no consensus about how to spend these resources. It is evident that there is no consensus about who ought to be making the decisions. There is a widespread concern that somewhere somebody like me might make a bad decision for your family. Underneath this is a dichotomy that we all feel. We can sit here this morning and have an intellectual discussion, but the people with experience, as efficiently as possi-
ble. That day is not yet here, but in the future, that day is going to come.

Third, the best system would be one where we harness technology to work for us rather than against us. We should get a tool that will allow us to do some incredible things in our health-care systems. The one that our policy makers and the private sector need to leave us. We should get this reflected in the Legislature. In the One year, the Legislature passed cap on how much health plans could spend in this state, while at the same time passing major new taxes, sur-
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Continued from page 3

Minnesota

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Continued from page 3

Minnesota
Schools

Continued from page 1

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Continued from page 1

Teacher cooperative takes different approach

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Schools

Continued from page 1

by Todd Kolbe

The decisions on compensation don't stop there, either. The decisions on compensation don't stop there, either. The decisions on compensation don't stop there, either.

The district was then in difficult negotiations. At New Mexico the decision was over. Teachers in the school were getting raises at a rate that is much lower than the rest of the district.

Puzzled, the two new district board members asked Swenson about this. He answered that his board does not need to take on the cost of compensation. Compensation is an internal matter for the teacher professional group.

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Nebraska court tightens nonprofit property exemptions

The Nebraska Supreme Court recently ruled that unless a nonprofit organization is using its property "exclusively" for educational, religious or charitable purposes, it does not qualify for exemption from property taxes (Pitman V. Sarpu County Board of Equalization). "Exclusivity" is determined by reviewing the primary or dominant use of the property.

Thus, affordable housing for low-income families did not qualify for an exemption, even though the complex is sponsored by the Sisters of Mercy, who provide on-site management, tutoring, computer classes and homeownership seminars for residents. In Minnesota, affordable housing communities are not exempt from property taxes; they pay homestead rates much lower than those paid by other rental housing.

Many other nonprofits are exempt and, thus, are at risk if the Nebraska court's logic spreads. Would the Guthrie board build if a Minnesota court decided that Guthrie plays are more entertaining than educational? How about all those hospital boards—what if their property-tax exemptions were based on the amount of charity care provided? Then again, maybe the courts won't have to decide. Perhaps Gov. Jesse Ventura's promised property-tax system reform next year will propose tightening exemptions.

—Marina Munoz Lyon

The number of adults signing up for adult ed classes has doubled since 1991. More than 90 million Americans, or 46 percent of all adults, have enrolled in some kind of class. Minneapolis has the highest percentage of residents taking classes, with 19.4 percent, followed closely by Milwaukee at 19 percent. Albany, New York leads the lower end at 10.3 percent.—Phil Jenni.

It's hard for legislators to resist tampering with the quarter-century-old metropolitan fiscal disparities program. The program, which shares part of the growth in commercial-industrial tax base among metro-area communities, survived court challenges in its infancy and has fought off legislative efforts over the years to make substantive changes.

This year legislators have introduced two fiscal disparities bills, neither of which had been scheduled for a committee hearing nor had a companion Senate bill at press time. More drastic than the other, H.F. 2770, would eliminate the program. Its chief author is Rep. Tim Wilkin (R-Eagan) and its coauthors are four other suburban Republican legislators.

Rep. Myron Orfield (DFL-Minneapolis) is author of the other bill, H.F. 3093, which would expand the fiscal disparities program's geographical reach. His proposal would add counties of Chisago, Isanti, Sherburne and Wright to the seven metro counties now included in the program.

Margaret Amundson, committee administrator of the Property Tax Division of the House Tax Committee said it's not anticipated that either bill will get a hearing this session, which is scheduled to adjourn around April 20. "We're running really short on time and we've had no request for a hearing on either bill," she said. She pointed out, though, that the Tax Committee, unlike other committees, will hear bills right up to the end of the session.—Dana Schroeder

The recent St. Paul Pioneer Press series reminds Minnesota to be grateful for its immigrants. People willing to pull up stakes and travel halfway around the world to find a better life are probably people worth having.

In Europe the political left is agonizing how far to change its society toward the American model, toward our combination of greater opportunity and less security. One of those involved, reflecting the apprehension in Europe about moving away from their policy of greater security and less opportunity, said an astonishing thing to a correspondent for The Economist recently: "We're more cautious here. We're the Americans who didn't take the boat."—Ted Kolderie.

A recent issue of Public Manage-

Take Note

"Every man holds his property subject to the general right of the community to regulate its use to whatever degree the public welfare may require it."—T. Roosevelt

The project involved the resurfacing of a major north-south artery on the east side of Las Vegas. The usual routine would have involved closing down small portions of the roadway and working in half-mile segments, with significant disruptions to the community. Instead, after consulting with businesses and residents along the route, the project's managers decided to hold a two-day Pave-a-thon, complete with souvenir tee-shirts, free refreshments, a party tent staffed round-the-clock by county employees and a victory celebration, all donated by local businesses.

In addition to the free publicity for the county, the project successfully reduced an estimated 3,513 hours of delays to just 107 hours.

It was a good demonstration of effective community relations in an area of public works that is rarely without controversy.—Dave Chadwick.

An interesting table in the Legislative Auditor's School District Finances report (Feb. 2000) shows changes in enrollment in various educational alternatives between 1989 and 1999. While total enrollment in the state grew by 18 percent to 964,957, enrollment in area learning centers grew by 714 percent to 11,453; open enrollment grew by 6,743 percent to 23,951; charter school enrollment grew from 0 to 4,918; home schooling grew by 370 percent to 13,638; Postsecondary Enrollment Options grew by 20 percent to 7,100; and private school enrollment grew by seven percent to 87,764.—D.S.

According to statistics from the Minnesota Department of Tourism, four of the top nine tourist attractions in the state in 1998 are regional parks. The Mall of America, of course, leads the state's attractions with a staggering 43 million annual visitors. Second was the Minneapolis Chain of Lakes Regional Park with 5.5 million visitors; fifth, the Mississippi Gorge Regional Park, nearly 3 million; sixth, Minnehaha Parkway Regional Trail, 2.7 million; and ninth, Como Regional Park, Zoo and Conservatory, 2.1 million.

Other notable attractions: The Metrodome is seventh, with 2.5 million visits; the State Fair, 11th, with 1.7 million; the Science Museum was 16th, with a little over a million; Minnesota History Center, 34th, at about a half million.

Of the 54 Minnesota attractions with more than 250,000 annual visits, 23 are regional parks, which account for 25 percent of the total visits. Maybe our regional parks are the true Great Minnesota Get Together.—P.J.

"Take Note" contributors include Citizens League and Minnesota Journal staff members and Marina Munoz Lyon, vice president of the Pohlad Family Foundation.
Mind-Opener series spring into high gear

Caring for the Car-less
The League’s next Mind-Opener series will look at the challenges facing residents of the Twin Cities who lack their own means of transportation.

The vast majority of Twin Cities residents own cars, and attention is usually focused on moving them efficiently on occasionally crowded freeways. And most transportation policy debates focus on alleviating congestion by getting commuters to use transit or by building more freeways to accommodate more drivers.

However, there are some residents of our region who, due to economic or physical circumstances, are not among the car-owning majority. Congested freeways or long ramp meter waits are not their biggest concern, and controversies over carpool lanes miss their needs entirely.

Without the reliable transportation that many of us take for granted, these members of our community face very real challenges to getting around for work, education, shopping, and health care.

The next Mind Opener series will look at some of these challenges and consider strategies for meeting the needs of those without cars.

Clarence Shallbetter from the Metropolitan Council, will begin the series on March 21 by describing his research on the mismatch between jobs and transit in the Twin Cities, On March 28, Byron Laher and Ken Wilcox from United Way of Minneapolis will present their findings on the transportation needs of their clients. At our last session on April 4, Richard Graham, from DARTS will describe the challenges in Dakota County.

Protecting Our Parks
The final Mind-Opener series of the year will lead us into summer with a look at the state of parks and open space in the Twin Cities.

Minnesotans have a near reverence for the outdoors. There are more golf courses and boats per capita in Minnesota than any state in the country. And the metropolitan regional parks account for nearly half of all non-Mall of America visits to Minnesota tourist attractions. Preserving and protecting public parks has been a key ingredient in this region’s historic reputation as a good place to live.

As we enter the 21st century, the quality of our parks will continue to be a key factor in our fast-growing region’s quality of life. And, in an increasingly mobile economy, green space and clean lakes are an important factor in attracting workers and businesses to our region.

What sort of land protection challenges and opportunities can our expanding region expect in the years ahead? What should our vision be for preserving parks and open space in the Twin Cities and in growing regions outside the metropolitan area.

Speakers in the series will include Dave Engstrom, the Chair of the Metropolitan Parks and Open Space Commission; Al Singer, from the Department of Natural Resources Metro Greenways program; Nelson French, Friends of the Minnesota Valley; and Representative Dennis Ozment (R-Rosemount), Chair of the House Environment and Natural Resources Committee.

Minnesota Journal gets a new look
Beginning next month the Minnesota Journal is getting a face-lift! This will be the first design change in the Journal since 1988 and only the second change since Steve Alnes started the Journal in 1983. Thanks to freelance designer Bettina Dehnhard, the Journal will have a fresh appearance and an exciting new monthly color palette.
## Mind-Opener Policy Forums

### Caring for the Car-less
- **Tuesday, March 21**
  - CLARENCE SHALLBETTER
    - Metropolitan Council

### Preserving and Protecting our Parks
- **Tuesday, April 18**
  - DAVE ENGSTROM
    - Chair, Metropolitan Parks and Open Space Commission

### From the League archives

The League’s final regular Mind-Opener series of the spring will focus on parks and open space, an issue in which the League has a long history of involvement. First surfaced in the 1930s by Theodore Wirth, superintendent of Minneapolis parks, the idea of a regional park system was waylaid by the Depression and then World War II.

The idea was renewed in the early 50s and was given a lift by the work of a Citizens League study committee, chaired by Minneapolis businessman Lloyd Hale (the father of recent League committee chair Roger Hale). But the League’s 1955 Legislative proposal for a regional park district encountered heavy resistance. The bill eventually passed but the “regional” system didn’t include Minneapolis and Ramsey County. Hennepin County decided to move ahead anyway and the Hennepin County Park Reserve District soon began buying up land for its park system.

Some years later the Legislature created the Metropolitan Park Reserve Board, chaired by St. Paul attorney Sam Morgan. It was declared illegal by the state Supreme Court, but Morgan’s group continued to press for purchasing land for parks before the land was lost to development. Jurisdictional and administrative issues continued to trouble efforts to create a regional system. But a compromise, worked out by future Senator Dave Durenberger, finally resulted in the creation of the Metropolitan Regional Parks System in 1974.

### Upcoming events

**Citizens League Networks**

- **Mark Yudof**
  - Thursday, March 16
    - 4:30 - 6:00
    - Humphrey Institute

- **John Wodele**
  - Monday, May 22
    - 4:30 - 6:00
    - Location TBA

**Minnesota Meeting**

Samuel Casey Carter will talk about “lessons from high-performing, high-poverty schools” on Wednesday, March 22 at noon. For more information please call 612-617-1117.

### Our web favorites

In our daily work, the League staff comes across many policy web sites. Here are a couple of our favorites.

- **www.stateline.org** - Operated by the Pew Center for the States, this site provides nonpartisan news and information on state-level public policy issues. In addition to their own special reports and articles, the site includes daily links to lead stories from local newspapers around the nation.

- **www.rand.org** - RAND is best known for their work on national security policy. Since the Cold War ended, this California-based think tank has devoted more of their energy to domestic issues, including education, health, welfare, and technology policy. Their reports are well-researched, nonpartisan, and usually compelling.

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Congratulations to LaRhae Knatterud! She will be awarded the Dutch Kastenbaum Award by the Minnesota Gerontological Society for outstanding service to the field of gerontology. LaRhae was instrumental in the League’s series of programs called a New Wrinkle on Aging and the subsequent study, Baby Steps to 2030, done under contract with the Minnesota Department of Human Services.