

MINNESOTA Journal

A PUBLIC POLICY MONTHLY FROM THE CITIZENS LEAGUE

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Look no farther than your mailbox for an example of government responding to private sector competition. Not long ago, the U.S. Postal Service was a government monopoly. If something absolutely, positively had to be there overnight, you drove it yourself.

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Closing the local digital divide

by Lisa Gardner-Springer

Until 1975, no one owned a personal computer, and only the military and a few academic institutions had access to what would become the Internet. A quarter of a century later, 51 percent of U.S. households had at least one computer and 42 percent had access to the Internet.

Yet the distribution of computer ownership and Internet access remains far from equitable. Wealthy and well-educated adults are far more likely to have computers in the home and access to the Internet than are less well-off and less educated populations. Race matters too. Whites and Asian Americans are significantly more likely to own a computer or access the Internet than are blacks or Hispanics.

These persistent demographic patterns speak to a society of information haves and have nots, a divide between those with access to technology and those without, often referred to as the digital divide.

Locally and nationally, the digital divide has economic, social and civic implications. Techno-savvy cities, including San Diego, Seattle, Atlanta and Chicago are taking comprehensive and concerted steps to close the local digital divide. Minneapolis and the metro area should do the same. Although national marketing studies indicate Minneapolis ranks among the top 20 "most wired" cities, the city has taken little or no action to either measure the local digital divide or to address it. Minneapolis should take its cue from other cities and embark on a strategic, concerted effort to close the local digital divide.

The economic impact of the digital divide

Why should we as a community care about the digital divide? Access to computer technology has a workforce impact—nationwide, people

who use computers on the job earn 43 percent more than other workers, according to the Minnesota Planning Commission. And demand for technology workers is growing.

In 2000, the Bureau of Labor Statistics (BLS) projected that employment in the computer and data processing services would grow by 117 percent between 1998 and 2008. The BLS anticipates this sector will need more than 2 million highly-skilled workers to fill new jobs or replace other IT workers during that 10-year period.

Closing the digital divide, however, has implications beyond jobs and wages. Opportunity, whether it is economic, social or educational, is based on having good information. As more people and institutions communicate by providing information online, those who cannot access this information will become disenfranchised. In the future, as many as 75 percent of all government transactions are expected to take place online, including delivery of food stamps and information about Medicaid, according to Susan Goslee's 1998 study, "Losing Ground Bit-by-Bit: Low Income Communities in the Information Age."

Measuring the divide

As household computer penetration and Internet access continue to rise nationwide, household income and race are key demographic factors that contribute to the divide.

In 2000, the National Telecommunication and Information Administration (NTIA) found that 51 percent of all U.S. households owned a computer and 42 percent connected to the Internet. Eighty-eight percent of households with incomes of \$75,000 or more owned at least one computer compared to only 28 percent of households with incomes below \$25,000. In 2000, white, non-Hispanic (56 percent) and Asian-American

by Morrie Anderson

Workforce issues that were so prevalent a year ago are no longer on the front page. Clearly, the economic downturn and the events following September 11 have pushed workforce into the background.

However, when the economy moves toward recovery and terrorism is in recession, the workforce needs of a strong and growing economy will be back in the forefront. They will need to be addressed if we expect sustained economic growth.

Over the past five years, we have evolved several 21st century workforce assumptions that have almost become "axioms":

- ▲ Human capital is critical.
- ▲ Technology drives skill requirements for workers.
- ▲ The workplace is a revolutionary place.
- ▲ The "digital divide" is real.
- ▲ Wage premiums equate to education.
- ▲ Long-term employer-employee loyalty is gone.
- ▲ Less-educated and unskilled workers are marginalized in a knowledge-based economy.
- ▲ The current labor-market support system is archaic.
- ▲ Skills development is a universal need.
- ▲ The quality of education equates to the quality of the economy.
- ▲ Someone else in the world can do your job.

In Minnesota we have had numerous reports, both public and private, that have studied and reinforced these axioms and have uniformly concluded that Minnesota must develop a comprehensive workforce development system integrated with economic and educational policies and practices if Minnesota is to be a 21st century economic leader.

The issue is not whether a workforce system is needed or whether we should undertake its development. The issue has been where and how to begin a process that will fundamentally change the work, the culture, the behavior of disparate interests, processes and programs which have operated in well-worn tracks for decades.

Minnesota needs to start with the recommendations of the legislatively-created

transition team and its report entitled "Putting it all Together." Many who have worked on the workforce and economic development agenda for the past 3-1/2 years hope this is the "last" report. "We've studied enough, now we need to do something."

The fundamental findings of this report are not significantly different from past studies. What is different is the context. This report develops a framework within which workforce, economic development and education issues and policies can be formulated and addressed. The difference can be captured in five factors:

First, the organizational structure of workforce and economic development is dramatically changed. Past report recommendations were left in an organizational and policy vacuum. The recommendations in this report create a statewide policy board with membership from the private sector. It creates eight regional or labor-market watershed planning efforts across Minnesota, again with heavy private involvement. The overarching objective is to create a policy-making structure outside the current program and governmental service delivery system by giving it to the customers and citizens.

It also creates a single agency in which workforce and economic development are wed from a service, policy and budget perspective. No person who has lost his/her job should have to search multi-agencies and institutions. One door should provide entrance to support and choices for opportunity. We can do it in a crisis—we should be able to do it every day.

Second, it requires a commitment of leadership. The commitment of private sector leadership is most critical.

These recommendations ask the Governor to lead the Minnesota Executive Leadership Team, comprised of 17 private and non-profit leaders, to develop a policy framework for Minnesota. These recommendations also ask that regional leadership play a critical role in developing the regional policy and planning strategy for each economic watershed of Minnesota. Models exist in west central and northeast Minnesota that could be prototypes for the remainder of the state.

Within state government there will be an executive leadership group which will

be led by the new agency commissioner and will cut across agency boundaries and barriers to comprehensively address workforce and economic development needs. The success of workforce and economic development hinges on this structure and the ability and commitment of leadership.

Third, a strong education component. Education, workforce and economic development are inextricably linked one to the other. In this knowledge age they are on a convergent course. No competitive society can remain so unless it addresses these factors with a comprehensive strategy. This report integrates education at every level of activity and leadership.

Fourth, internal support is a critical factor. It is difficult to change cultures and processes when everyone agrees, and near impossible when few are on the team. Many of the recommendations in this report were developed with the support of staff and providers. There is an ownership component.

Finally, all of the organizational change and programmatic expectations are surrounded by an accountability and performance structure. These recommendations build off of the work the Governor has already begun through the Office of Results Management. The objective is to "institutionalize" into the policy, planning, programs and budget benchmarks, and outcomes that can be used by legislators and the public to hold agencies accountable and lead to performance improvement.

Our vision is fairly straightforward—vital communities, sustained economic growth, a quality of life defined by great opportunities, good wages, and a healthy environment, meeting world standards, and citizens in the forefront of governance. In short, Minnesota should be a destination desired by workers, businesses, traders and tourists. The vision is: "Destination Minnesota!" MJ

Morrie Anderson was chairman of the transition team that authored the report "Putting it all together." For copies of the report, call (651) 215-1094 or email morrie.anderson@state.mn.us.

Viewpoint

From the Executive Director

We need an ambitious and inclusive vision for the region

by Lyle Wray

Several weeks ago I made a presentation to the Minneapolis Foundation board of trustees on the past, present and future of the metropolitan region. In preparing the presentation, two conclusions jumped out at me. First, the metropolitan region, and indeed the state, had experienced a shining "golden age" from 1945 to about 1980. As described in a 1936 *Fortune* magazine profile, the metropolitan area and the state reputation was one of faded glory and corruption. But from about 1945 on, there was a convergence of political leadership and reform; systems thinking corporate leaders and a farsighted philanthropic community took on big issues. During that period, the state had big ambitions and reformed state finances and made major investments in arts and culture.

The second conclusion I came to is that we stand at a crossroads today, and the advantages we achieved in that almost half-century are beginning to fade. While overall performance in school completion and health care look very good and the state's income levels are in the top one-third nationally, as we go forward there are reasons for concern—"yellow lights on the dashboard."

For instance, Minnesota is recovering

more slowly than much of the nation from the current economic slow down in areas such as manufacturing. According to one think tank, Minnesota has the second lowest school completion rate for African Americans in the United States.

From a global perspective, our advantage in education is fading; South Korea now has more people per capital enrolled in post-secondary education than we do. Small business start-ups and expansions have not been Minnesota's strong suit. Georgia, not Minnesota, now leads the country in the growth in high tech jobs.

Our metropolitan region, now about 100 miles across, has long outstripped our appointed regional government's borders several times over. Our two core cities—never mind one—make up a shrinking 25 percent of the metropolitan area's population, and redistricting will soon reduce their representation in the Legislature.

Clearly the challenges as we move forward are great.

It strikes me that one way to move forward is to begin or continue to build a vision for our metropolitan region's future on the twin pillars of ambition and inclusiveness. We need to turn aside "pretty good" and "comfortable mediocrity" and pick our niches where we can become world class. We should make sure that vision includes suburban elements, a commitment not to leave any part of our society behind, and an unwillingness to fail in either goal.

In order to move in this direction, we as a community will no doubt have to answer many questions. How do we arrive at such a shared vision? Who has the community standing to advance such a vision? Who can provide the energy to sustain our attention and to insist on the tough decisions that will need to be made? While there is no sure recipe, there are promising practices from around the country from which we can draw some conclusions even now.

We might be able to learn something from Atlanta's slogan "too busy to hate," which helped bridge divisions between

black and white residents by setting forth a joint ambition to make the city a national and global economic player. Indeed, news headlines about Atlanta now focus on a city choked with growth sporting the busiest airport in the world. This is a far cry from the Atlanta of 1945, or even 1965.

We could learn from the MESA program in California that has had great success in teaching Latino and African American students advanced math and science and setting them on a successful educational path. We might be able to learn from Charlotte, North Carolina, which developed a set of signature graphics, including welcoming attractions at the airport, to help build a regional identity. Perhaps the newly established University of Minnesota Design Center could add that to their quest for a new typeface for the region. We might be able to learn from Chicago's recent Metropolis 2020 process, which developed an ambitious vision of success for that region.

Clearly we are going to have to make tough choices. It will not be enough to follow Yogi Berra's advice: "When you come to the fork in the road, take it." Ensuring Minnesota's future is as bright as its past will require a convergence again of strong political leadership, business leaders willing to work at a variety of systems level issues, and a philanthropic community that either funds or fulfills the "think tank" work needed to identify gaps, strategies and tactics for moving ahead.

Changing corporate, philanthropic and social realities make this a daunting challenge but we will pay the price if we fail to meet it. Perhaps this quotation from the Psalms "without vision the people will perish" is an overstatement, but we need an ambitious and inclusive vision to help the region regain forward momentum to ensure a better future. MJ

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Design principles for an efficient, responsive government

by Lyle Wray and Duane Benson

There's an old joke that goes like this: Three guys walk into a bar . . . you'd think one of them would have ducked.

One guy would have. But with two or more people, everything becomes political. Decisions have to be made about whether duck or lean back and "limbo" under the bar. A young person might want to jump it. Someone else might suggest going around. All of a sudden, it's too late. Thunk! Thunk! Thunk! And you're left with noth-

ing but three knot heads and a bad joke.

Warning! Big bar ahead!

For more than a decade, demographers, economists and others—including the Citizens League and the Minnesota Business Partnership—have been talking about the bar ahead of us, and urging lawmakers and the public to duck, jump or do something.

Put simply, our current tax-and-spend-ing systems were created for an economy of farmers, miners and factory workers. Jobs were rooted in specific locations, and

there were more young people moving onto the payrolls than elderly moving onto Social Security. With the pent-up demand of the post-World War II economy followed by a massive generation of baby boomers moving through the workforce, tax revenues climbed steadily. This enabled government to address almost any issue with a constituency by spending money—with little concern about the correlation between government spending and desired results.

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The Citizens League's Design Principles for Better Value

There are only a few strategies that orient people to accomplish public purposes while meeting their own interests, and that systematically link spending with results. They are captured in the following Design Principles for Better Value. Think of these principles as rules of thumb to guide public sector spending.

Principle 1. Target public subsidies directly to people who are financially needy. Provide subsidies only to individuals who have low incomes and low wealth, and ensure that subsidies follow individuals who qualify for them. Redistribute resources explicitly rather than through indirect methods, and only to ensure equal access to basic services in which there is a compelling state interest.

Principle 2. Use competition to align institutional self-interest with the public interest in the quality and cost of services. Break up the monopoly elements of public services by separating the different interests of institutions and the public, and by forcing service producers to win the public's business. This does not mean privatization; competing producers may be public organizations. Competition may be introduced in three ways:

Create citizen markets. Give citizens their allotment of public dollars (or their equivalent) and allow them to choose their public services from among competing public and private providers.

Split the roles of purchaser and producer of public service. Now, school boards, city councils and other governing bodies plan, make policies and decide how public services will be provided. What is often overlooked is that these boards are also *purchasers of the service*. They represent the public by purchasing services from producers on behalf of citizens.

For most services today, the same body accomplishes both functions, purchasing and producing, and this results in an inherent conflict of interest. Rather than purchasing the services (snowplowing, teaching or firefighting, for example) that respond to the concern of their constituents, boards instead assign constituents to receive services from the only snowplowing, teaching or firefighting business in town—themselves. Government should ensure that the purchaser is a different entity from the producer. When purchasers have choices, producers risk failing if they don't serve their customers well.

Pay for performance. When the Legislature makes grants to school districts, cities and institutions, it should make the grants contingent upon performance.

Principle 3. Allow prices of public services to reflect true costs, including the social cost of individual decisions. Prices give purchasers important information that helps them to

make decisions about how to spend their money. Current policies often disguise the true cost of public services and distort citizens' choices about how to spend their money. Public policies should give citizens an economic stake in their personal decisions.

Principle 4. Meet more public responsibilities through non-governmental communities in which people already have relationships of mutual obligations. Citizens are not merely consumers of government programs. Families, ethnic organizations and neighborhoods perform a variety of public purposes, including child rearing, caring for the infirm, and education. They are producers and problem-solvers. Government can make use of the motivations generated in these private communities by carrying out some of its responsibilities through them.

Principle 5. Consider long-term economic growth to be one of the objectives of state spending. To get the best long-term return from state expenditures, policy makers should take seriously their role as investors. Doing so means making sure that expenditures on infrastructure, research and education are met with measurable, demonstrated results, which in turn requires that results be evaluated rigorously and impartially. For other items of spending, "good investing" simply means getting the most value from every dollar of state expenditures.

Principles *continued from page 4*

But the world is changing. We're rapidly shifting toward a knowledge-based, service economy with more dirty ties than dirty fingernails. We're producing more food with fewer farmers and more products with fewer factory workers. Co-workers often live in different states or nations, passing projects from one computer to another around the globe in a 24-hour workday. Beginning in 2011, when we baby boomers start spending more time in our pajamas, government tax-and-spend-ing systems will be turned upside down.

Some say this adds up to fewer public services. Others say higher taxes. Both those solutions, however, pose problems. Quality of life is increasingly important to people and will be a larger factor in where they choose to live and work. Simply tightening the bureaucratic belt until government can't breathe would be counter-productive. But with a workforce shrinking in relation to the "dependent" population, raising taxes to fund growing demands will be difficult—particularly in light of the growing mobility of employers and employees.

There is a third option. We can—in our view, we must—make government more efficient and responsive to people's needs. To do this, we need to recreate a relationship between public spending and desired results. That will require broad, systemic reforms designed to clarify and strengthen the relationship between the taxpayers (us) and the tax spenders (us).

Guiding Principles for Reform

With this in mind, the Citizens League and the Minnesota Business Partnership each developed a set of Guiding Principles. (See side panels.) These principles share a lot of similarities because they reflect the belief that we can improve public services and reduce costs by realigning our tax-and-spend-ing systems.

To realign our systems and prepare them for the changes ahead, reforms must first make it clear that people pay for things. Government or business may collect the taxes, but the money spent for public services comes out of your pocket. Politicians prefer taxes that are invisible and relatively painless. Consequently, people consistently underestimate how much of their money goes to support government. We believe taxes should be visible to taxpayers, and they should reflect the true cost of the services provided. Only then will we as taxpayers be able to make informed

decisions about the value of the services we are paying for.

To realign our systems for the future, reforms must emphasize that government exists to serve people. That seems obvious, but the delivery systems themselves have become the customers. As a result, we tolerate—at times even reward—failure. When a system fails to deliver desired results, it often generates successful calls for more funding. Meanwhile, suggestions for changes that don't require more money, and/or provide disincentives for failing, meet fierce, immediate resistance. Given the challenges that lie ahead, we will, in the not too distant future, need to rely on solutions that don't require more money.

To create systems that can actually reduce costs, we need to fund people directly and give them the power of individual choice. For example, we spend millions of dollars a year on job training programs. Some do an outstanding job of placing people in the workforce. Others don't. An existing program, however, is like an extra thumb: you may not need it, but it still takes a lot of resolve to chop it off.

Funding people directly would accomplish a couple of things. First, we could more efficiently target public support to those in need. Second, it introduces at least the potential of competition to align institutional self-interest with public interest. Government may be an option for meeting a specific need, but it won't necessarily be the first or only option. Successful providers, whether public or private, will attract more people; unsuccessful providers, public or private, will either improve or disappear. As a result, tax dollars will be spent more efficiently to achieve desired outcomes.

Look no farther than your mailbox for an example of government responding to private sector competition. Not long ago, the U.S. Postal Service was a government monopoly. If something absolutely, positively had to be there overnight, you drove it yourself. Today, the Post Office—and several private companies—offers next-day delivery.

The point here isn't to eliminate or dis-able the public sector. The point is to reconsider how we deliver and pay for public services and to find ways to maintain or improve the quality of services while reducing our future tax burden.

Minnesota Business Partnership: Guiding Principles for Reform

▲ **Make it clear who the customer is and who the provider is.** To remain globally competitive, we must make government more productive and accountable by making it clear that people are the customers, not the government.

▲ **Make it clear that people—not government or institutions—pay for things.**

The relationship between those who pay, those who benefit and those who provide should be as clear and direct as possible. This will enable people to understand actual costs and require providers to respond to actual needs.

▲ **Fund people, not institutions.** People should be the direct beneficiaries of public programs, not the systems that were developed to provide those services.

▲ **Provide timely, understandable information to help people make decisions.**

Meaningful information can help people make informed decisions based on actual outcomes rather than on the perceived value of certain inputs or processes. Information will help people make better choices and help providers understand and respond more appropriately to people's demands.

▲ **People should have choices and the ability to exercise them.**

People are in the best position to understand their individual needs and should have options for how to best meet those needs. Government may be one option, but it shouldn't necessarily be the first or only option.

Don't like our guiding principles and the solutions they lead to? Fine. But we're going to be walking into a bar pretty soon. It's getting time to duck. Jump. Do something. Or else...make way for Lumpy. MJ

Lyle Wray is executive director of the Citizens League. Duane Benson is executive director of the Minnesota Business Partnership.

OnBalance

Views From Around the State

The energy debate heats up.

The **Mesabi Daily News (2/12)** was pleased to hear of Governor Ventura's support for the development of a 2,000-megawatt coal gasification facility and 1,000-megawatt wind farm, known as the Mesaba Energy Park. "We applaud the Governor for his vision in giving strong support to the project. In doing so he provides an understanding of the need for the state to look at its long-range energy needs. If we do not, we can talk all we want about economic development and jobs it will matter little if we do not have the energy resources at affordable prices to meet such growth. And while also building a new environmentally friendly energy complex in the state to meet those needs, we can also position ourselves to become an energy wholesaler to other states and regions in the country. Why shouldn't Minnesota develop energy as a resource to export?"

In other energy news, two southern Minnesota newspapers support the use of incentives over a biodiesel mandate.

"...requiring the use of the fuel amounts to a tax on one industry for the benefit of another," argues the **Rochester Post-Bulletin (3/4)**. "A better course would be to give incentives for voluntary trials of biodiesel fuels. This would help consumers get acquainted with the blended fuel and to establish its operating characteristics. Mandating universal use of the blended fuel at this time would represent an unwarranted intervention in business decision-making."

The **Mankato Free Press (2/4)** also advocates incentives. "Reducing this country's dependence on foreign oil is crucial to the stability and economic well-being of our nation. That's why Minnesota lawmakers should move forward on the biodiesel issue. But to mandate the use of biodiesel without providing the same types of financial incentives that spurred the development of ethanol would be wrong. Minnesota was a leader in requiring the use of ethanol and in subsidizing the ethanol industry while it

tried to compete. The same type of leadership is needed with biodiesel."

The **Saint Cloud Times (3/1)** is concerned with the projected future of job demands and available work. "Starting in 2010, Minnesota will likely begin facing a chronic shortage of educated workers as the number of people retiring exceeds those graduating from college. Economic growth and the accompanying creation of jobs will likely exacerbate this gap. The Minnesota Private College Council projects in eight years there will be about 120,000 jobs statewide requiring post-secondary degrees, yet only about 80,000 workers will have them. By 2020, there will be more than 140,000 such jobs, but the number of people with degrees will have declined to slightly less than 80,000... So during the next 20 years Minnesota's challenge isn't simply to encourage more high school graduates to keep studying. Rather, it's to find ways to enroll students who, for many reasons, traditionally haven't seen college as a realistic option."

The **Mankato Free Press (2/23)** thinks the solution can be found in the redirection of funds. "...on the financial front, the private colleges call for the state to redirect its post-secondary budget away from direct support of public colleges and toward need-based grant and financial aid programs that would serve students wherever they go... A redistribution of this kind can't fall solely on the public colleges. Private colleges should contribute through tuition reimbursements or tuition credits. And because business will be the primary beneficiary of the growing supply of educated labor, it should be willing to invest in the effort as well. The public at large may have to accept higher taxes. The decline in the college educated population will be a problem for the entire state and should be solved by a broad-based plan that shares the costs among those who benefit."

"Our state's workforce faces a threat because the projected number of college graduates will not be enough to replace retiring work-

ers," the **Worthington Daily Globe (2/20)** agrees. "If the economy expands as expected, more workers will be needed. But that doesn't have to be if we can get more people dreaming about a better life through a better job, believing it can happen and helping them along the way as they put in the necessary work. Without trained and able workers, state employees will be at a disadvantage. We must get state officials to look past the current budget crisis and begin to plan for the future. The goals of the Minnesota Private College Council are a worthy place to begin discussion."

The reviews are mixed around the state on the issue of raising taxes to help solve the budget problem. The **West Central Tribune (1/30)** supports an increased tobacco tax. "A poll by the Minnesota Smoke-Free Coalition found that two-thirds of those surveyed favor a \$1 cigarette tax increase to reduce smoking, especially among kids. An overwhelming 83 percent believe the Legislature should not under any circumstance tap the tobacco settlements money endowed to prevent kids from smoking to help solve the current \$2 billion budget deficit. An increased cigarette tax could contribute to solving the budget deficit and preserve the anti-smoking endowment for its original intention."

The **Red Wing Republican Eagle (2/22)** rejects the idea of any tax increase until all financial forecasts are considered. "The Legislature and Governor ought to move quickly to resolve the short-term gap. But the long-term deficit should be made with up to date information. Three more financial forecasts will be released before lawmakers must adopt the 2004-05 budget; the first one is due this month. Tax receipts continue to slip, as reported recently. Raising the tax burden now on individuals and business is the wrong prescription for turning the economic tide." **MJ**

Digital divide *continued from page 1*

households (65 percent) were almost twice as likely to own a computer as black (33 percent) and Hispanic households (34 percent). Education also plays a factor. Seventy-eight percent of adults with a bachelors or higher degree own computer, but only 46 percent of those with the high school diploma own one.

Libraries and schools are two of the most common means of providing public access to those who cannot afford to own computer. Due to programs like E-rate, a federal program that subsidizes Internet connectivity in libraries and public schools, and private funding, primarily from the Bill and Melinda Gates Foundation's U.S. Library Program, 95 percent of all public libraries now provide public access to the Internet and 98 percent of all public schools are connected.

In communities with high poverty rates, 94 percent of all libraries offer public Internet access and 94 percent of public schools are connected to the Internet. Community technology centers also provide underserved communities with alternatives to schools and libraries for public computer access.

The local picture

Minnesota, the 21st most populous state and 10th in per capita income, tends to be on the other side of the digital divide in general household numbers. According to the 2000 Census, the state ranks 10th in computer penetration and 13th in home Internet access. But a February 2000 Nielsen report showed 38 percent of the Minneapolis/St. Paul households access the Internet, placing the metro area 18th among other large national metropolitan areas, and slightly below average, given the Twin Cities areas ranks 15th in the nation by population.

Despite likely high overall household computer penetration and Internet access numbers, and given national trends, Minneapolis most likely has a digital divide based on race and income. But drawing a clear picture is difficult, since Minneapolis has not assessed the extent of its digital divide. Assuming the digital divide exists, it will be most prevalent in the Minneapolis Empowerment Zone, where the poverty rate exceeds 20 percent.

By extrapolating digital divide data from the National Telecommunication and

Information Administration by race, an estimated 75,000 residents of the empowerment zone do not own a computer.

Public libraries cannot meet the demand by residents who live in the empowerment zone. The national average for public Internet access workstations in urban libraries is 17.3 per library. In the empowerment zone, there is an average of 10.2 workstations per library.

Schools are leading the way to bridging the digital divide in Minneapolis. On average, elementary, middle, and high schools in the empowerment zone have newer computers than the district overall, but the percentage of those computers connected to the Internet is lower than the district average. The reason for the disparity is unclear, but one possible explanation is that schools in high poverty areas have received money through federal programs for hardware, but no money to wire those computers to the Internet.

Community computing centers offer another option for providing Internet access. The Community Computer Access Network (C-CAN), a nonprofit organization working to increase technology access in the Twin Cities, has created an online database of the known community centers in Minneapolis. Excluding libraries and schools, C-CAN has identified 12 community computing centers in Minneapolis, nine of which serve empowerment zone residents. The Minneapolis Parks and Recreation Board identified five community centers that offer open computer labs for children after school. Migizi Communications, a nonprofit that serves the Twin Cities Native American community, has helped establish consortium of an additional 14 computer centers in the Twin Cities, with 10 in the empowerment zone.

Even given these additional resources, there are still not enough community computing centers to adequately serve the number of residents who lack computer access, especially residents of Minneapolis' northside.

What needs to be done

Governments in high-technology focused cities, like Seattle and San Diego, as well as more economically and racially diverse cities like Atlanta and Chicago, have instituted city-sponsored programs and partnerships to further narrow the dig-

ital divide in their local communities. While each of these cities has taken a slightly different approach, all have been able to leverage financial resources, partnerships with business and nonprofit organizations, and local leadership to improve public access to computer technologies in urban neighborhoods with the least household computer penetration. Efforts in these cities are coordinated, strategic, and mindful of the economic impact of improving access to and knowledge of computer technologies in impoverished communities.

Current digital divide efforts in the city of Minneapolis take place in a sporadic and ad hoc manner.

To address the digital divide, Minneapolis needs to develop a concerted effort that integrates current public access efforts and to improve access to those most in need. Based on estimates of the local digital divide and best practices from the cities proactively addressing the divide, the city should undertake the following "digital closure" efforts:

▲ Designate a department in the city administration responsible for digital divide initiatives. Planning or the MCDA could effectively lead citywide initiatives.

▲ Employ one or two city executives to chair the digital divide initiatives to provide accountability and simplicity in managing the program.

▲ Establish a blue ribbon committee comprised of community activists, local business leaders, and government executives to advise the city and the Mayor on digital divide efforts.

▲ To increase visibility make Mayor Rybak champion of Minneapolis digital divide initiatives.

▲ Develop partnerships with established community nonprofits to strategically institute public community computer centers.

▲ Broaden local government-sponsored digital divide initiatives to include St. Paul. A Twin Cities partnership could rally the community and bring good political publicity for two new mayors. **MJ**

Lisa Gardner-Springer is a graduate student at the Humphrey Institute of Public Affairs. The study is available online at <http://c-can.org/resources/mplsdivide.pdf> (Requires Adobe Acrobat). To request a copy contact her at (763) 521-9635.

TakeNote

Policy Tidbits

Interesting items gleaned from our increasingly interconnected world.

Soldier scholars. The U.S. Army is offering soldiers a free online education through its eArmyU portal in exchange for their continued enlistment. In the 12 months since its introduction 16 percent of participants have either re-enlisted or extended their current enlistments.

EArmyU currently offers over 90 degree programs to soldiers stationed at Fort Benning, Fort Campbell, and Fort Hood, but the majority of enrollments take place at only six out of 23 member institutions, either because of their physical proximity to the bases or their long-standing relationship with the Army's education initiative.

American Distance Education Consortium CEO Janet K. Poley recommends that the program increase the number of participating colleges and bases if it wishes to reach its goal of educating 80,000 soldiers worldwide by 2005. Soldiers learn online anytime and anywhere, and can transfer their course credits within the program, regardless of which college they enroll in. However, eArmyU's administrative requirements are sometimes at odds with college procedure, requiring that courses be offered on a quarterly basis, which can conflict with traditional college schedules. Some of these problems are being addressed. Portal administrator PricewaterhouseCoopers has widened the role of college officials in the program's operations, and has revised its standards so that colleges are required to offer at least 50 percent, rather than 100 percent, of their degrees online.—Lyle Wray.

More than half of Americans perceive their local public schools as good or excellent, according to a recent poll by Phi Delta/Gallup. This is the highest rating in the poll's 33-year history.—L.W.

Almost half of the states are considering raising tobacco taxes as a means to offset budget issues caused by a downturn in the U.S. economy. Many anti-smoking organizations are pleased to hear this. If Massachusetts' accomplishments are what all states can expect, it might be more beneficial to put the revenue from increased tobacco tax into programs to help decrease smoking overall. The Massachusetts Tobacco Control Programs

economists estimate \$3 worth of savings in health care costs for every \$1 used for tobacco control. The state also saves more than \$15 million annually due to a reduction in the number of low-weight babies, resulting from increased awareness of risk highlighted by the tobacco prevention programs.

—Scott McMahon.

California is leading a new charge to promote the use of electric cars. State regulators recently made it a requirement that 2 percent of car sales within the state be electric cars. The regulators are also asking that the 2003 fleets reduce emissions by 10 percent. New York, Vermont and Massachusetts were set to follow the lead, but carmakers convinced them that the demands for new cars in those states (CA, MA, NY, VT account for 20 percent of U.S. car market), make it impossible to meet the requirement. The implementation for NY, VT and MA may be pushed back at least four years. —S.M.

The Design Institute's new website is up.

The University of Minnesota Design Institute has launched its new website. The Institute, one of the five new strategic academic initiatives at the University of Minnesota, develops research, educational programs and interdisciplinary partnerships to improve design in the public realm. The website is at <http://design.umn.edu>.—L.W.

The federal government has a new, user-friendly electronic gateway. [Firstgov.gov](http://firstgov.gov) is a good example of a new trend toward "portals" on the web designed around customer groups and their needs rather than the formulaic "smiling face of an elected official and a

blurb" that has been common practice since government websites began appearing a decade ago. In the newly renovated website for national government agencies and services, citizens, businesses and other governments are the customer groups greeted on the homepage. The website is at www.firstgov.gov. —L.W.

Of the 15 electric regions in the United States, the Mid-Continent Area Power Pool (MAPP) is the only region forecasting a deficit in the 2005 regional reserve margins, according to the North American Electric Reliability Council and McKinsey Quarterly. MAPP also just happens to be the region Minnesota is in. The next lowest projected reserve margin is the Southeastern Electric Reliability Council, with an 11 percent reserve margin. California, which has recently experienced an electricity crisis, shows a 27 percent margin, while part of New England will have a 61 percent margin. —S.M.

More globalization needed? A recent report on globalization ranked Singapore as the most globalized country in the world. The Netherlands, Sweden, Switzerland and Finland complete the top five. The United States ranked 12th. The report looked at 50 developed countries and emerging markets. Index measures included the level of personal contact across international borders, World Wide Web users and servers, and economic integration. Higher levels of globalization were associated with greater income equality—less separation of "rich and poor" for both mature and emerging economies. —L.W. **MJ**

Take note contributors include Minnesota Journal and Citizen League staffers.

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The Citizens League promotes the public interest in Minnesota by involving citizens in identifying and framing critical public policy choices, forging recommendations and advocating their adoption.

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The Citizens League gets rolling in the '50s

The Citizens League is celebrating its 50th anniversary with a glimpse back at the past achievements and by looking forward to the coming challenges. Last month, we looked at the history of the League from the first board meeting in 1952 to the League's annual meeting in 1957 with guest speaker Frank Lloyd Wright.

In its first few years the League tried to influence policy by playing an active role in the election of local government officials. It published a candidate rating guide and endorsed candidates. This proved to be too controversial and was abandoned, but the League did cooperate with the **Minneapolis League of Women Voters** to produce several "voting guides" which did get candidates to commit to positions on certain issues.

The growth of the Citizens League in the early 1950s depended mostly on maximum individual participation by interested citizens. The entire membership was invited to participate in League decisions regarding new projects and position on issues. New members were invited to serve on the Projects Committee, which reviewed the League's program to make sure it was in line with the interests and priorities of the members.

The original study committee process involved standing committees, e.g., transportation or taxation, to which

public issues were referred.

Before the Board of Directors took final action on issues, members were given facts and arguments and asked for their view on what stand the League should take. Once a League position was taken an action program, usually a pamphlet urging a particular vote on a referendum, was developed.

One early study, in 1954, recommended a metropolitan parks system. A subsequent effort urging a yes vote on a park referendum ultimately resulted in the establishment of the Hennepin County Park District. **Ray Black** considered this the greatest accomplishment of the League during his tenure as Executive Director.

After charges of mismanagement and fire hazards, the League, at the request of Minneapolis **Mayor Eric Hoyer**, studied the General Hospital needs of Minneapolis and Hennepin County. The study concluded that the proposed new, expensive facility was not needed. The study resulted in the purchase of new equipment, reduced the cost of improved fire protection, greatly improved employee morale and restored public faith in Minneapolis General Hospital.

Although some studies were less successful, the League often brought issues to the forefront or helped frame the

debate. For instance, while the League failed to achieve the full scope of its proposals for the reform of the Minneapolis city charter as a strong-mayor system, charter reform became a serious issue and generated much public debate for years. In fact, discussion of Minneapolis charter reform continues today.

In these early years the League was essentially reacting to proposals initiated by local government officials. A key change occurred in 1962. In a review of a school board proposal for the first major building program since the 1920s, the League was critical of the program which recommended just rehabilitating old buildings.

But the League did more. It laid out an alternative program involving closing and demolishing of entire schools, selling sites, and constructing new schools at new sites. The community rejected the school board proposal. A new proposal based on the League's suggestion was prepared and, with the League's support, passed.

The experience taught the organization an important lesson, not only about finding the key points of timing and leverage, but also about its ability to generate its own proposals.

Next month: A Citizens League recommendation creates the Metropolitan Council.

Phil Jenni bids the League a Farewell



Left: Lyle Wray leads the crowd in a round of applause for Phil Jenni during his recent appreciation party honoring his 16 years of service to the League.

Dear Citizens League Friends:

Thank you for your support and dedication for the 16 years. It's been a real pleasure to be a member of the Citizens League staff.

Sixteen years is a long time. But it has never been hard to go to work everyday because each day at the League is filled with stimulation and challenge. While our work was serious, we also had fun. I've stayed here because I love what we do. The Citizens League has made a difference in Minnesota and together we've accomplished truly memorable things.

But mostly I've stayed at the League because of the people—the “regulars” at the Mind-Openers; the committee members and chairs; the Board members; our superb Board presidents during my tenure; and the wonderful fellow staff members. I wish I could personally thank every one of you who have made my tenure here so fulfilling, stimulating and delightful.

While I leave the League with both sadness and satisfaction, I also leave with a sense of concern. Our community has changed greatly in recent years. Some of those changes have made the work of the League even more important. At the same time, those changes have made it more difficult for the League to find the resources it needs.

For the League to continue to have influence, it must have support from the people who know what we do, why we do it and why it matters. That has never been a very long list of people, but it's a list of special people. I know because I've seen you in action. The League needs you now, to defend and support this community treasure. I intend to do my part and I hope you will, too.

Thank you again for letting me be a part of this truly unique Minnesota institution. Let's work hard to make sure it's around for the next half century.

Phil Jenni

Energy Committee starts to see the light at the end of the tunnel

The Citizens League Energy Committee, which met for the first time on July 17, 2001, has held over 15 meetings and is now getting ready to start discussing the possible recommendations. The last testimony session is scheduled for April 8.

The committee has come a long way since that first meeting last July by discussing such topics as the energy bill passed during the last session, to the potential use of renewable resources within Minnesota's energy portfolio, and from the changing market structures around the nation, to the development of regional transmission regulators.

One of the most interesting happenings in the energy world since the committee began was the release of the 2001 State Energy Planning Report, which was released in February by the Minnesota Department of Commerce. The report helps explain how the state plans for future energy needs, and also addresses some of the issues involving conservation and renewable resources. On February 25, **Linda Taylor**, the Deputy Commissioner of Energy for the Department of Commerce, met with the committee to discuss the report. The full report, along with an executive summary, are available on the Minnesota Department of Commerce's website at www.commerce.state.mn.us.

To learn more about the committee, log on to the committee website at www.citizensleague.net.

Ken Keller receives honor

Professor Kenneth Keller, the director for the Center for Science, Technology and Public Affairs at the Humphrey Center, member of the Citizens League Board of Directors, and current co-chair for the Citizens League Energy Committee, recently received one of the highest professional distinctions awarded to engineers—election into the **National Academy of Engineering (NAE)**.

According to the National Academy of Engineering press release, “Academy membership honors those who have made ‘important contributions to engineering theory and practice’ and those who have demonstrated ‘unusual accomplishment in the pioneering of new and developing fields of technology.’” Professor Keller was elected on the merit on his “leadership in applying quantitative engineering analysis to vascular transport and artificial organ design and in public policy.” For more information about the award or the National Academy of Engineering, visit the NAE website at www.nae.edu.

Right: League president David Durenberger and Phil share a few stories and a few laughs later in the evening.

