Property taxes up $148 on average-value metro homes

by Dana Schroeder and Lynn Reed

Average homeowners in most Twin Cities communities found higher property taxes when they opened their 1996 tax statements last spring. Property taxes rose in 1996 by an average of $148, or 7.5 percent, on average-value homes in the 105 largest communities in the Twin Cities metropolitan area. The growth in average taxes (to $2,119) outstripped the 6.3 percent growth in average value (to $117,093).

These are among the findings of the 30th annual homestead property-tax survey of Minnesota communities over 2,500 population, conducted jointly for the fourth year by the Minnesota Taxpayers Association and the Citizens League. (Some parts of the analysis were done differently from past years. See box on page 5.) Other major findings:

- In the 129 nonmetropolitan communities, average homestead taxes grew more slowly than value and by less than in the metro-area communities. Taxes increased by $61, or 6.9 percent, to $942. The average-value homestead in the nonmetro communities was $68,452, 7.2 percent higher than last year.
- New Prague is the top-ranked metro community and Staples the top-ranked nonmetro community in a comparison of taxes on a similarly valued home. This year the comparison is on a home assessed for tax purposes at $105,000 in the metro communities and at $65,000 in the nonmetro communities.
- Responsibility for high taxes in top-ranked communities is shared among taxing jurisdictions, with counties and schools playing a stronger role in top-ranked metro communities and cities and counties playing a stronger role in top-ranked communities outside the metro area.

$105,000 metro homes
New Prague, in school district 721, takes the honors this year for the highest metro-area tax bill—$2,280—on a home assessed for tax purposes at $105,000. The $105,000 home approximates the median-value homestead in the metro communities. Homeowners whose tax statement lists an estimated market value of $105,000 should find their 1996 taxes similar to those listed here for their community.

However, depending on assessment practices, the actual selling price for such a house could differ from community to community—ranging from $107,034 in Washington County’s May Township to $135,484 in Jordan.

Continued on page 3

Charter schools stimulate achievement, system reform

by Joe Nathan

Minnesota parents, educators and policymakers want to see results, not just rhetoric about improving education. The charter school movement around the country is producing encouraging results—helping youngsters and producing broader improvements in public education. We in Minnesota can learn from success, not only here, in states that have stronger, more effective charter laws. Strengthening Minnesota’s charter law would produce more positive results.

Around the nation charter schools are moving ahead, despite vigorous opposition from major education groups. Their impact is dramatic:

- They are increasing student achievement and attendance, especially among young people from low-income and otherwise troubled families.
- They are stimulating broader system improvements.

Achievement gains
Charter advocates don’t deny that there are many troubled families and challenging youngsters. But as excellent public school teachers point out, problems outside schools, which deserve attention, should not be used as an excuse for little progress inside schools. In many communities, charter schools are making a big difference with youngsters, including those from low-income and non-English speaking families. A few examples:

- Vaughn Next Century (Charter) School, which enrolls more than 1,100 inner-city, predominantly Hispanic youngsters in Los Angeles, has produced major achievement gains and dramatically increased parent involvement.
- The Sacramento, California, school board recently renewed Bowling Green Elementary’s charter.

Continued on page 4
Viewpoint
Lyle Wray
Metro area one of most highly segregated in country

From Examining the Relationship Between Housing, Education and Economic Opportunities: Persistent Segregation: A Preliminary Report, The Institute on Race and Poverty, University of Minnesota, Summer, 1996.

The Twin Cities area is among the most highly segregated metropolitan areas in the United States. They consistently rank among the highest in terms of racial discrimination in housing.
Charters

Continued from page 1

t, based on significant increases in student achievement and atten-
dance rates. As a result, Bowlen Green was one of the dis-

- Academy Charter School in Cas-

t Rock, Colorado, had its contract

- Minneapolis, the Bluffview

- Many other public charter schools

- Other Minnesota charter schools

- Other Minnesota charter school

- While not every charter proposal

- Minnesota's charter school propos-

- Teacher and administrator and is

- Many other public charter schools

- Minnesota's charter school propos-

- Because that's part of the stu-

- The National Education Associa-

- The Colorado charter law, which

- The local school board

- The American Federalist Party (AFT), for example,

- The Minnesota Taxpayer-

- Citizen League members, who

- Citizen League members, who

- Use sales ratios for a number of

- The highest five metro commu-

- The five lowest metro commu-

- Any parent who applies for ch-

- Minnesota school board, which

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The five lowest tax nonmetro communities in the 650,000 comparison are:

- Harris Township (318), $429
- Grand Rapids Township (318), $465
- Becker Township (727), $476
- Mountain Iron (110), $570
- Grand Rapids (318), $578

Harris and Grand Rapids Townships and Grand Rapids are in Iron County; Becker Township is in Sherburne County, and Mountain Iron is in St. Louis County.

All the communities in the bottom five, except Becker Township, qualify as nonmetro; state and federal tax burden credit. The credit reduces taxes by half or more in 15 of the 129 communities, Becker Township has the lowest tax in the 325 category of any of the 129 metro and 8 nonmetro communities. In its school district enjoys a

*Tax base that keeps the location of a large power plant.

Average-value homes

Homes on average-value homes went up in all 12 of the 05 metro communities in the survey. Increases ranged from $1 in St. Paul Park to $753 in Wayzata, while decreases ranged from $1 in St. Anthony to $15 in Columbia Heights.

**Sources:** Minnesota Taxpayers Association and Citizens League.

### TABLE 3: TAXES IN SELECTED METRO AND NONMETRO CITIES, 1996

<table>
<thead>
<tr>
<th>City/Town</th>
<th>Tax Rate (City)</th>
<th>Tax Rate (School)</th>
<th>Average Estimated Market Value</th>
<th>Tax on Average Home</th>
<th>Rank</th>
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</thead>
<tbody>
<tr>
<td>Minneapolis(1)</td>
<td>12</td>
<td>460</td>
<td>$461</td>
<td>$1,023</td>
<td>36</td>
</tr>
<tr>
<td>St. Paul Park (721)</td>
<td>10</td>
<td>408</td>
<td>$408</td>
<td>$1,023</td>
<td>36</td>
</tr>
<tr>
<td>St. Paul Park (110)</td>
<td>10</td>
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<tr>
<td>Totals in categories</td>
<td>12</td>
<td>460</td>
<td>$461</td>
<td>$1,023</td>
<td>36</td>
</tr>
</tbody>
</table>

**Source:** Minnesota Taxpayers Association and Citizens League.
'Grumpy old taxpayers' may oppose school spending

Business Week (Sept. 16) recently reported on a new Massachusetts Institute of Technology study confirming that elderly folks are more likely to vote against increases in school spending. Economist James Poterba, the study's author, found that a larger share of their populations over age 65 spend substantially less per pupil, even after adjusting for regional differences. Poterba estimated that an increase in the elderly population from 11 percent to 13 percent would cause per-pupil spending to drop by almost five percent.

This "grumpy old taxpayer" syndrome adds up to big effects over the long run: The growth in the percentage of elderly to 18.7 percent of the U.S. population in 2030 will lead to a 10 percent decline in per-child spending from its 1990 level, Poterba calculated.

It's enough to chill the spines of people in Minneapolis and elsewhere who hope to persuade taxpayers without schoolkids to support levy referenda.

But consider this, too: Minnesota's school enrollment is projected to grow 22,000, to a peak of 848,000, between the 1995-96 and 1999-2000 school years. Burgeoning enrollments will put the pressure on to build new schools. Older schools built in the 1950s and 1960s need major refurbishing and upgrading to support computer and technology use and to become more accessible. In 1995 the Minnesota Department of Education estimated that total spending on school bond issues would be $550 million per year through 2000.

Schools will have little choice but to convince those "grumpy old taxpayers" of the merit of their levy requests.—Janet Dudrow.

―That Was Then, This is Now,‖ a document prepared recently by the University of Minnesota, reports progress on a number of measures over the past 10 years. Among the tidbits:

- Class hours taught by full professors: 1986—23 percent; 1995—40 percent;
- Average class size reduced 23 percent on Twin Cities campus, 11 percent systemwide;
- Freshmen living on campus: 1986—45 percent; 1995—70 percent;
- Four-year graduation rate (all campuses): 1986 entering class—9.9 percent; 1991 entering class—18.7 percent.
- Number of entering students satisfying the university's preparation requirements: 1985—17 percent; 1995—85 percent (College of Liberal Arts and Institute of Technology, 95 percent);
- Freshman applications: up 24 percent in past two years. Among new freshmen in fall 1995, 67 percent were in top quartile of their class.

The comment of Tom Swain, the University's acting vice president for institutional relations: "Change may not be rapid enough to suit some critics, but it is a dam sight faster than I think many sense is the case.‖—Dana Schroeder.

Urban renewal—like, for real? Historically, urban renewal programs have had an abysmal record. But one program in the Livable Communities Act has had a noticeable, if modest, impact on urban redevelopment in its first year.

The Tax Base Revitalization Program (TBRP) run by the Metropolitan Council has earned some quick and encouraging results by providing financing for contaminated site clean-up. In the first of two grant cycles, the program gave out $3.8 million in grants to clean up 50 acres in 11 sites that were located predominately in the central cities and first-ring suburbs.

So far these TBRP grants have leveraged more than $40 million in private investment, along with $7.7 million in additional public money (for new infrastructure, etc.). In just one year, these sites have seen an increase in net tax capacity of $1.7 million, according to figures provided by Hal Freshley, director of the program.

At such a rate, he said, money invested in this program will pay itself back in two years. In all, this investment also is expected to produce more than 1,000 new jobs, averaging $11.77 an hour, when construction projects are completed.—Ron Wirtz.

Looks like it's going to be hard to tell the difference between the School Boards Association and the MEA around the Capitol next session. It appears the major education groups have, in fact, agreed on a common agenda for the '97 session: Get the spending caps lifted, or face the electorate.

Nothing controversial. The superintendents' association, for example, won't be pushing (as it usually does) for changes in the bargaining law next year. Why antagonize the unions (the thinking went) in a year when we need their help to get the money?

So, it's up to the Governor and to legislators to insist that, in return for the money, the public get the changes that will make the K-12 system one that truly puts students' interests, rather than adults', first.

—Ted Kolderie.

At a recent Citizens League study committee meeting, Jennifer Bloom, director of the Minnesota Center for Community Legal Education—an outfit that teaches kids and teachers about law and civics—observed an interesting connection between schools and civics. "If we want to teach kids to be good citizens—if we want to espouse democracy—we'd better be sure that school itself provides a model of effective democracy," she said.

Bloom was quick to caution that effective democracy doesn't mean that teachers or students get to make all the decisions. But when the powers-that-be do delegate decisions, they had better abide by the decisions that are made.

Too often, she said, schools adopt participatory styles of management, but fail to decide in advance who will be permitted to make what decisions. It's a familiar and unfortunate scenario: Kids are asked to pick a school dance theme, but the principal vetoes their choice. Parents are invited to participate on a site-management team, but the district nixes their suggestions. Teachers are asked to propose new curricula and their advice is ignored.

The result, Bloom suggested, is that kids come to believe that participation is meaningless and futile. It's their first step toward becoming cynical, apathetic citizens.

Bloom's observation suggests some advice to school officials who are trying to develop a more collaborative approach to education: Be clear about which decisions you're keeping to yourself and which you'll let go. Then let go. And think of it as a civics lesson for the young'uns.

—J.D.

Contributors to "Take Note" this month include Minnesota Journal and Citizens League staff members.

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Citizens League Matters

October 22, 1996

Retreat reveals sobering reality for policy-makers

Six community and political leaders painted a decidedly grim picture on the region's current policy reality at a Citizens League Board of Directors retreat on October 2. The session, hosted by Board member Pam Neary at her Afton home, was the first of two retreats at which the Board will develop the League's annual work plan.

Speakers were Metro Council Chair Curt Johnson, Pioneer Press editorial writer Steve Dornfeld, Rep. Dee Long (DFL-Mpls), Jim Koppel, Children's Defense Fund, Hennepin County Commissioner Peter McLaughlin, and Pam Wheelock, director of the St. Paul Department of Planning and Economic Development.

Curt Johnson said that our region's most complex and difficult problem is the absence of a coalescing crisis. Because the region has not had to deal with economic or social crisis, as some other areas have, we're superbly in the middle.

According to Johnson, the Twin Cities region has become quite skilled at tinkering with what works pretty well. "We're very good at admiring the problem," he said, "but we don't do well at cross-sectoral analysis of problems. We don't usually make a point of assembling disagreement. Our civics are too much like churches and our churches are too much like civics."

Steve Dornfeld expressed dismay at the lack of understanding of the Twin Cities as a metro region. During the process of interviewing legislative candidates, he discovered that not only couldn't they agree on the problems we face today—they didn't even agree on the problems we faced twenty years ago let alone solutions.

Rep. Dee Long (DFL-Mpls.) commented on the increasing partisanship in the Legislature. Much of the tension comes from the sense that either side could capture the majority, she said. Legislators are operating on a very short-term horizon and aren't looking past the next election, partly because the power structure will change dramatically after the next reapportionment. Long believes that ultimately the public has to be involved in something other than knee-jerk reactions.

Jim Koppel also commented on the sense of paralysis setting into the public policy arena. People feel disenfranchised and they have checked out, he said. He thinks the power for solutions has to come from the community—getting people involved in a bottom up way. According to Koppel, "it's messy, it takes longer, but it's what gets things done."

Peter McLaughlin said community institutions are the key to remediying many of today's problems as well as handling additional responsibilities recently spun off from the federal government.

McLaughlin said government must identify and fix inefficient programs and spending, and be held accountable for the services that it is supposed to provide. But neighborhoods and citizens must be involved in the process. He said government must engage the citizenry in a different way.

Pam Wheelock said that our society has lost the ability to solve problems in a collaborative manner. This includes government, as many public agencies are forced to chase the next pot of money to fund next year's programs. She said government loses sight of the big picture, and forces programs into "boxes" in order to receive funding. As a result, there is no comprehensive problem-solving strategy that ties related programs together.

Taken collectively, the remarks were a very sobering and disturbing picture of our current political and policy reality. Their pessimism offers both a challenge and an opportunity for the League. The opportunity is that there is much policy work to be done. The challenge is that in such a gloomy climate good ideas might not thrive or generate financial support. At its next meeting, the Board will begin structuring a response to the civic decay articulated at the first retreat. Clearly solutions to these problems will come harder than the diagnosis.
Building community, part one: dollars, sense and vision
National experts discuss impact fees, cost of development and community design vision

The next Mind-Opener policy series, "Building Community," will feature nationally-renowned speakers with unique insights into issues of regional growth and development.

Part One of the two-part, six-session series will look at issues surrounding the cost of development, and take a close look at the pros and cons of impact fees. It also features a unique community visioning process that can help governments, developers and homebuyers determine the shape of growth and development.

The series will begin on Monday November 4 at 11:30 a.m. with Robert Freilich. Mr. Freilich is a nationally-recognized expert on zoning, regulatory takings and impact fees. He will provide an overview of impact fees and their application in Minnesota.

Tony Nelessen, Associate Professor at Rutgers University's Graduate School of Urban Planning and Policy Development, will speak at 12:30 p.m. on Thursday, November 7. Mr. Nelessen has over 25 years of professional experience in the fields of architecture, planning and urban design. He will discuss neo-traditional development, community planning and the application of his Visual Preference Survey (TM).

The series will conclude with a 11:30 luncheon on Friday, November 15 featuring Gene Bunnell, Assistant Professor and Extension Specialist at the University of Wisconsin-Madison. Professor Bunnell will discuss the cost of development, and critique the common usage of fiscal impact analysis by municipalities.

In December, Part Two of "Building Community" will provide insight on specific programs and developments which are literally creating livable communities. Invited speakers include Bob Lanier, Mayor of Houston, Paul Brunsell, the Project Director for Middleton Hills, a New Urbanist development in a suburb outside of Madison, Wis. and Curt Johnson of the Metropolitan Council.

The series will be held at the Thunderbird Hotel, 2201 E. 78th St., Bloomington. Cost is $20 for members and $25 for non-members. Thanks to Glenn Dorfman and the MN Association of Realtors, AIA-Minneapolis and the Metropolitan Council for their financial assistance.

Markets do the funniest things: Mind-Openers look at innovative public services in Oregon and Indianapolis

Most observers agree that welfare reform and other proposed devolution efforts by the federal government will require state, county and local governments to assume more services and responsibilities—sometimes with little or no additional funding. Voter backlash against higher taxes has warned government officials at all levels that they have to do a better job of controlling spending, while continuing to provide good service.

Many cities and states are finding innovative approaches to providing quality public services. Foremost among them are the City of Indianapolis and the State of Oregon. This Citizens League Mind-Opener series will explore how Indianapolis and Oregon approached this problem.

Babak Armajani opened the series on Tuesday, October 15 with an overview of the trends and innovative approaches to achieving high performance in public services.

Michael Williams, Chief Financial Officer for the Indianapolis Department of Capital Asset Management, will speak at 11:45 on Tuesday, October 22. Indianapolis is considered one of the forerunners in competitive contracting and other innovative government approaches to performance. Mr. Williams will discuss this program and other innovations taking place there.

This series will conclude on Monday, October 28 with a 6:00 p.m. - 7:30 p.m. meeting featuring former Oregon governor, Barbara Roberts.

Barbara Roberts is currently director of the Program for Senior Executives in State and Local Government at Harvard University's Kennedy School of Government. She was governor of Oregon from 1991 to 1995. During this time she developed more than 20 initiatives to make government more efficient. She will discuss those efforts undertaken during her tenure to improve public performance in Oregon.

The meetings are at the St. Anthony Main Event Centre, 219 SE Main Street, Minneapolis. The cost is $15 for Citizens League members and $20 for non-members. For more information please call 338-0791.

Special thanks to the Minnesota Chamber of Commerce, Glenn Dorfman and the MN Association of Realtors and the W.E. Lahr Co., on behalf of Bumper to Bumper Auto Parts and Diesel Service Co., for their financial support of this special series.

League financial audit completed

The Citizens League completed the fiscal year that ended August 31, 1996 with revenue of $506,845 and expenses of $508,473 for a shortfall of $1,628. Revenue was slightly ahead of budget for this year and $30,000 ahead of last year. Expenses also exceeded budget - by about $12,000 - and were $30,000 more than last year.

The Citizens League also established an endowment fund at the St. Paul Foundation during FY96. At June 30, 1996, the fund balance was $66,704.

Total League fund balances (not including the endowment fund) ended the year at $43,315 compared to $64,943 last year. The decline is due to the transfer of money contributed to the endowment fund before it was officially established.

For a copy of the audit please call the office at 338-0791.