Minnesota Journal

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Inside This Issue

Taxes on average homes down in most metro cities

by Dana Schroeder and Lynn Reed

Property taxes went down for average homeowners in most Twin Cities communities this year, a change from an increase the previous year. Property taxes fell in 1998 by an average of $90, or 4.1 percent, to $2,124 on average-value homesteads in the 108 communities over 2,500 population in the Twin Cities metropolitan area. In 1997, average taxes on the average-value homesteads had increased by $95, or 4.5 percent.

But property taxes increased—although slightly—this year for average-value homeowners in the 130 nonmetropolitan Minnesota communities over 2,500 population. Taxes increased by an average of $3, or 0.3 percent, to $1,011, compared to a 1997 increase of $66, or 7.0 percent.

In the metro area this drop in taxes occurred despite a 4.8 percent growth in the average-value homestead (to $130,147). And in the nonmetro communities the slight tax growth lagged behind the 5.9 percent growth in the average-value homestead (to $76,580).

The tendency for taxes on average homes to decrease in the metro area and increase only slightly in nonmetro communities reflects changes to the property tax system enacted by the 1997 Legislature, which went into effect in 1998. The changes include:

- A reduction in the rate at which homes valued above $72,000 are taxed. In 1997, a home's taxable value (tax capacity) was one percent of value up to $72,000 and two percent of value over $72,000. In 1998, a home's taxable value is one percent of value up to $75,000 and 1.85 percent of value over $75,000. This moderates the tax effect of an increase in a home's value and places more of the property-tax burden on lower-valued homes.

- A reduction in the rates at which commercial-industrial property and other nonhomestead property is taxed. These changes mean that higher-value homes do not receive as much relief as they otherwise would have and that more tax burden is shifted to the first tier of home value.

- A new education homestead credit that reduces taxes on homes. It is computed as 32 percent of the state's general education levy amount, up to a maximum credit of $225 per home.

- $93 million in additional state money to lower the share of education funding that falls on property taxes.

These are among the findings of the 32nd annual homestead property-tax survey of Minnesota communities over 2,500 population, conducted jointly for the sixth year by the Minnesota Taxpayers Association and the Citizens League. (See accompanying article on page 5 for an explanation of the various tax comparisons in the analysis.)

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Labor shortage replaces taxes as business concern

by Ronald A. Wirtz

First of two articles.

The signs—both physical and otherwise—are inescapable. Placards in the windows of many businesses, radio and newspaper ads, unemployment levels at historic lows.

In a recent panel discussion, Jane Brown, commissioner of the Minnesota Department of Economic Security (MDES) said that Minnesota has the lowest levels of seasonally adjusted and unadjusted unemployment (2.3 and 2.1 percent, respectively) in the nation. Unemployment in the Twin Cities is a giddy 1.6 percent.

Not everyone is celebrating. Having grown familiar with decades of surplus labor (too many people looking for too-few jobs) the state and region are now faced with a labor shortage—a lack of working-age people to fill available jobs.

In a recent survey of Twin Cities executives by *Twin Cities Business Monthly*, the labor shortage replaced business and personal taxes as the single most important issue facing companies in the Twin Cities region. Fifty-six percent of respondents cited the attraction and retention of skilled workers as the most important issue for their company—double the number just two years earlier. More than 80 percent of executives with large companies (100 or more employees) said attracting skilled labor was a significant concern.

Two employer surveys released in the last two months—one released jointly by the Minnesota Business Partnership and the Employers Association, the other by the Greater Minneapolis Chamber of Commerce—confirmed that businesses are having trouble finding qualified labor.

In response to the problems facing

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Where's the voice for small things with big benefits?

Viewpoint

by Lyle Wray

Humphrey Institute Dean John Brandl has long said that politics is the art of dishing out benefits to the potentially grateful, while spreading the costs around among the oblivious. Usually the big beneficiary is a small, well-organized constituency. Regular folks, often unaware, foot the bill for powerful special interests. Nobody really notices, few people actually benefit, but it ultimately costs a lot. Often too, those benefiting are not the most in need. Tax code changes for the few can cost far more than food stamps for the many.

But the converse poses a problem, too. Turn Brandl's lament around. Small savings and efficiencies spread among lots of programs can benefit a large constituency. But there is often no constituency for these small things, despite the fact that they carry big benefits for lots of people.

One common complaint—particularly in Washington, but heard here, as well—is that it takes great power or heavy lobbying to move anything past the many sources of self-interest and inertia. Often, only large projects with heavy financial backing can get over all of the hurdles to achieve real policy change. Even then, as the recent stadium issue shows, there is no sure bet.

Transportation offers a perfect illustration. There are many proposals that would provide a big benefit to the public, but fail because there is no obvious and powerful constituency: telecommuting, state-of-the-art buses, private jitneys, vouchers to fill gaps between buses and taxis and restructuring taxi regulation for better service.

There are illustrations in other areas as well. For instance, we subsidize real estate development for business—which has a strong voice—but lag behind other states in the human capital investment of providing low-income students post-secondary access. We spend proportionately few resources on those chronic conditions that afflict a proportionately larger share of the population for much longer periods of time—migraine headaches and arthritis, for example—and spend significant resources for treatment of fatal chronic conditions (cancer, heart disease) that afflict a small number of people for relatively short periods of time. Some of the biggest avenues for adding years to life—so-called "lifestyle" issues of fitness, smoking, accident prevention—get lip service, compared to the deadly serious 14 percent of Gross Domestic Product we pour into the health-care industry.

The state's Best Practice Review program fits here, too. In showing how the most effective local government services are delivered, it is a great example of making government more efficient by doing the little things right. Sadly, its continuation beyond its legislative sunset in 1999 is in doubt—a good example of the lack of constituency for doing the small things to make government more efficient.

Many public services could benefit from doing the "small things" right over a long period of time. The application of this principle to the automobile industry catapulted Japanese carmakers from a joke at their inception to a formidable force provoking "voluntary quotas" to protect U.S. carmakers.

Alas, despite several decades of prodding from the Citizens League, the public sector often lacks real competitive pressure. Many well-organized interest groups in and around the public sector have a stake in not using competition to become more efficient and effective. Absent a "big crisis," we need leadership from the Governor, the Legislature and the other sectors to insist on incentive structures for public institutions.

Performance should matter; there should be real consequences for not performing. Difficult as it is, we can take modest steps toward setting up public programs on a pay-for-performance basis—paying for job placements, for example, rather than for simply training people on welfare. We need leadership to create a bigger constituency for the smaller things that make a difference.

Lyle Wray is executive director of the Citizens League.

Property tax

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Other major findings:

- New Prague is again the top-ranked metro community and Staples again the top-ranked nonmetro community this year in a comparison of taxes on a similarly valued home. This year the comparison is on a home assessed for tax purposes at $115,000 in the metro communities and at $70,000 in the non-metro communities.

- St. Paul moved down significantly from last year in the rankings in the comparison of taxes on a similarly valued home, thanks to a large decrease in school taxes. (The comparison was on a $115,000 home this year and a $110,000 home last year.) St. Paul moved from second in the rankings last year to 15th this year. Minneapolis, in contrast, moved up slightly, from seventh to sixth place.

- Responsibility for high taxes in top-ranked communities is shared among taxing jurisdictions, with city, county and school taxes playing a strong role in top-ranked metro communities and city and county taxes playing a strong role in top-ranked communities outside the metro area.

It's important to note that this comparison looks only at property taxes, not at other possible sources of income for local governments, such as fees or special assessments. Some communities rely on these other sources of income to a higher degree than others; those that do would tend to have lower property taxes than other communities.

$115,000 metro homes

Scott County's **New Prague**, in school district 721, takes the honors for the third year in a row for the highest metro-area tax bill—$2,231—on a home assessed for tax purposes at $115,000. However, taxes on a hypothetical homestead in New Prague valued at $115,000 in both 1997 and 1998 dropped by 7.6 percent this year, reflecting the legislative tax system changes.

Homeowners whose tax statements list an estimated market value of $115,000 should find their 1998 taxes similar to those listed here. However, depending on assessment practices, the actual selling price for such a house could differ from community to community—ranging from $121,053 in Anoka County's Burns Township to $136,418 in North Oaks.

The other four *highest* metro communities in the $115,000 home comparison are (school district numbers in parentheses):

Lauderdale (623), $2,177; **Chanhassen** (112), $2,150; **Osseo** (279), $2,134; and **Norwood Young America** (108), $2,127. Osseo and Norwood Young America were new to the top five ranking this year, moving up from 11th place and 19th place last year, respectively.

Minneapolis (1), at $2,097, ranked 6th and **St. Paul** (625), at $2,000, ranked 15th.

The average tax on a $115,000 home in the 108 metro-area communities was $1,789, down by 10.6 percent from what it would have been last year. Only one community, Anoka County's Columbus Township, saw an increase in this year's taxes on a home valued at $115,000.

The average assessor's home values of three of the five highest-tax communities ranked in the bottom 10 among the metro cities, with Lauderdale third from the bottom at $81,343; Norwood Young America sixth lowest at $83,204; and Osseo ninth lowest at $85,538. New Prague, at $94,873, ranked in the bottom fifth, while Chanhassen (at $175,520) ranked in the top fifth. St. Paul ranked fourth lowest at $82,189; Minneapolis, at $88,170, ranked 13th from the bottom.

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Another view: Minneapolis employee figures misleading

We were very disappointed by a summary which appeared in the Aug. 25 edition of the *Minnesota Journal* ["City of Minneapolis is state's 14th largest employer" in "Take Notes"] of an article from the August 1998 *Corporate Report* ["Minnesota's 100 Largest Employers"].

The *Journal* took pains to emphasize the number of employees working for the City of Minneapolis. The analysis in the *Journal* used incomplete statistics and simplistic comparisons to imply that Minneapolis has far too many employees.

First, the *Corporate Report* article was based on the number of employees. Thus, a high school student working for the Parks and Recreation Department counts the same as a full-time police officer. A far more meaningful basis for comparison would have been the full-time equivalents (of FTEs). (Tom Smith, author of the *Corporate Report* article, concedes this point but states that most employers could not provide a count of their FTEs.) Given that Minneapolis has a large number of seasonal and part-time employees, reliance on the *number of employees* as opposed to *FTEs* will produce results that will make Minneapolis look like a larger employer than it is. The *Minnesota Journal* neglected to mention any of the shortcomings of an analysis based on a simple count of the number of employees.

Second, the *Minnesota Journal* implied that Minneapolis has an extraordinary number of employees per resident relative to Saint Paul. The *Journal* ignores the fact that the City of Saint Paul contracts out most of its public works projects, whereas Minneapolis relies on city employees. A comparison between Minneapolis and Saint Paul that does not take this into account is meaningless.

Third, the *Journal* makes similar comparisons between Minneapolis and Dakota County which were also designed to leave the impression that Minneapolis has an extremely high number of public employees. However, any comparison between cities and counties is inappropriate; the nature of the city services (police, fire, street maintenance, etc.) requires more employees per resident than do county services. Furthermore:

- Hennepin County contracts with the City of Minneapolis to maintain county roads within the city. This increases the number of city employees.

- Unlike the rest of Hennepin County, Minneapolis maintains its own library system. Minneapolis residents pay more city taxes because of this, but are exempt from the county library tax. This leads to a higher number of city employees, but a lower number of county employees.

- Dakota County is largely urbanized. (Ninety-six percent of Dakota County's population lives within cities as opposed to townships.) A large portion of the law enforcement activities in Dakota County are performed by city police as opposed to the county sheriff. In fact, of the 16,656 crimes that were cleared in Dakota County in 1997, only 654 were cleared by the county sheriff. This reduces the need for county employees.

- Minneapolis and Dakota County are completely incomparable in terms of various demographic and social characteristics that drive the need for public services.

In short, the *Minnesota Journal* used simplistic comparisons to give the impression that Minneapolis has an excessive number of public employees. The way in which the *Journal* juxtaposed facts without explanation of those facts was misleading and contributed nothing to an intelligent discussion of the issues.

Kathleen O'Brien, Minneapolis City Coordinator, and Jeff Van Wychen, Minneapolis Government Relations Representative

The Minnesota Journal

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Property tax

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Taxes on the average-value homestead ($94,873) in top-ranked New Prague increased by 3.4 percent in 1998, while average taxes on the average-value homesteads in the 108 metro communities over 2,500 decreased by 4.1 percent. New Prague was one of only 23 metro communities where taxes on average-value homesteads increased.

Relatively high city, county and school taxes played a strong role in pushing these cities to the top of the rankings.

New Prague had the highest city taxes on a $115,000 home, $707, of any of the 108 metro communities; the sixth highest school tax, $907 (out of 54); the 10th highest county tax, $601 (out of 20—more than seven, primarily because some cities are excluded from county library taxes); and the lowest special district taxes, $17. City taxes account for 31.7 percent of total taxes on a $115,000 home in New Prague; the average for the metro communities is only 20.3 percent.

The reason for the high taxes? New Prague is in a rapidly growing area on the southern edge of the metro area and has a relatively small amount of commercial-industrial property to help shoulder the property-tax burden. It has undertaken infrastructure investments in both the city and in its school district, District 721.

Like New Prague, the other four communities in the top five all rank toward the top in city, or school district taxes:

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I certify that all information furnished on this form is true and complete.
Signed, Lyle D. Wray, publisher. Sept. 28, 1998

Editor's Note: Due to space constraints, the "On Balance" roundup of editorial opinions will not run this month. It will return in November.

Labor

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Twin Cities employers and the region's economy, the Citizens League organized a committee study last spring of 52 citizen volunteers. The group studied the factors behind and the consequences of the labor shortage. After six months of work, the League will release its report, *Help Wanted: More Opportunities Than People*, at a public press conference later this month.

What's the problem?
Scratch beneath the surface a little, past the "help wanted" signs, and one quickly finds the labor shortage will be a fact of life for employers for the next few decades. The labor shortage is the result of continued job growth, coupled with demographic shifts, a slow-growing labor pool and skill mismatches.

For instance, MDES estimates that the number of jobs statewide will grow almost 14.8 percent from 1994 to 2005, while the number of workers is expected to grow at a rate of only 12.6 percent.

The size of the region's labor pool stems from the total number of working-age adults and the participation rate of those workers. Baby boomers entering the workforce in the 1970s and 80s provided a huge influx of labor. However, the following "baby bust" generation is decidedly smaller and entry of the "echo boom" generation (the kids of boomers) into the workforce will be largely offset by a growing number of retiring baby boomers.

The result will be a significant slowdown in the growth rate of the labor force and a reduction of net new workers expected in the coming decades. For example, from 1970 to 1980, the working-age population in the Twin Cities region grew almost 20 percent (more than 200,000 workers), but the growth rate has declined ever since. According to the Metropolitan Council, the region's working-age population is expected to increase just four percent from 2010 to 2020 and barely one percent from 2020 to 2030, netting just 24,000 new working-age people.

The labor shortage might be more manageable if there were larger pools of untapped labor, but the state and region already have high participation rates among different subgroups. More people than ever are joining the ranks of the employed, evidenced in part by the fact that the state's workforce has grown significantly faster than the state's general population (71 percent faster in the 1980s; 57 percent faster from 1990 to 1996).

Women of all ages have surged into the workforce over the last few decades. About 70 percent of all working-age women statewide are in the workforce—second only to Wisconsin. Minnesota is also second in the country (again behind Wisconsin) in overall labor force participation, tied with Montana for the most workers with more than one job (10 percent) and ranked 15th in the percentage of people over age 65 in the workforce (14 percent).

Workforce participation is even higher in the metro region. A sizable majority of Census tracts in the region had labor force participation rates between 70 and 90 percent in 1990.

Employers today are already tapping into previously underutilized labor pools—people with disabilities, immigrants, welfare recipients and people of color in general—further reducing the surplus labor previously available to employers. But each of these groups represents a proportionately small number of people, so even bringing all unemployed and underemployed people into the workforce would not solve the region's labor shortage. Labor economists also believe that participation rates for women will not go much higher and rural areas have already been largely emptied of young workers. Taken together, there is a considerably smaller pool of underutilized labor.

"I'm holding down two positions as a computer programmer for two companies... same hours... and both firms think it's just fine!"

Skill mismatches. Despite the preponderance of available jobs, a troubling level of underemployed people remains, most often because requirements for both high- and low-skill jobs do not fit the skills of available workers.

The worker shortage is particularly intense for high-tech jobs and other high-skill jobs, which usually require specialized training, work experience and/or postsecondary degrees. An MDES survey of employers showed that 90 percent of respondents think there is a shortage of qualified information technology workers in Minnesota and the Twin Cities. Yet between 1994 and 2005, jobs in computer and processing services in the Twin Cities are expected to increase 77 percent—more than 16,000 jobs.

The shortage of high-skill workers cuts across many fields. Systems analysts/computer programmers, welders, electricians and machinists are needed throughout the state, while the metro region is also seeking skilled machine tradespeople, computer support workers, moldmakers and nurses/lab technicians.

The labor shortage is also adversely affecting employers' ability to find workers for low-skill positions. In fact, according to MDES, there are more low-skill and entry-level openings throughout the state and the shortage in these occupations tends to be ongoing.

The problem in this case often is a lack of "work-readiness" skills—understanding the importance of promptness, proper attire, relationships with superiors, workplace etiquette, and appropriate language. But job mismatches also occur because of various obstacles that impede either access to or retention of available jobs. Some of the most common obstacles include lack of affordable housing near job growth centers, language barriers and poor transit service to suburban growth centers and to second- and third-shift jobs.

This skill mismatch has resulted at least in part from worker training—K-12 and higher education systems that have not adequately adjusted to meet changing skill needs of employers. But workers and employers also bear some of the responsibility for keeping skills up to date. Employer-provided training is often spotty, as some employers expect education and training programs to "custom-fit" employees with job-specific skills that might have low transferability to other jobs. Similarly, employers have had difficulty in the past anticipating and communicating new skill needs to education and training institutions.

What are the consequences?
The consequences of the labor shortage for the Twin Cities region are complex. Employers, particularly in private industry, must have capable workers—or find alternative strategies to human labor—to remain competitive in a global, information-based economy. Failing to do so jeopardizes the region's quality of life and residents' standard of living.

Private employers have several options to try to stay competitive in the face of a labor shortage. They can try to increase per-worker productivity, import workers, relocate facilities or export work duties to areas with excess labor or merely downsize business expectations. However, not all such responses benefit the region. For example, moving jobs to other regions with excess labor might benefit the employer, but it would not help the region.

Many people also overlook the effect of a labor shortage on public and nonprofit employers. For instance, as private employers bid up wages in other fields, the state could very likely face a shortage of teachers, particularly as older teachers retire.

How the Twin Cities community—government, business, and nonprofits—handles the labor shortage will largely determine the Twin Cities' success in the global economy and, in turn, the region's standard of living.

Ronald A. Wirtz, a research associate at the Citizens League, staffed the labor shortage study committee. After the report's official release on Oct. 22, copies will be available from the Citizens League office 612-338-0791 The second of the two articles, in the November Minnesota Journal, *will take an in-depth look at some of the report's innovative ideas and recommendations.*

Property tax

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All four are among the top 11 in county taxes, with Chanhassen and Norwood Young America (Carver County) ranking first and Lauderdale (Ramsey County) ranking third;

- All four are among the top fourth in school taxes, with Lauderdale (District 623) ranking third;

- All four are in the top third for city taxes, with Osseo, Norwood Young America and Chanhassen in the top 20. Osseo has a large special sewer district financed by general property taxes; many cities handle sewer costs through special assessments. In Chanhassen, voters passed a $5 million park referendum.

St. Paul ranks 12th for city taxes, fifth for county taxes, 44th for school taxes (a big drop from 12th last year) and 27th for special district taxes. School taxes now account for only 36.3 percent of the tax bill on a $115,000 St. Paul home, well below the 45.3 percent average for all metro communities. Minneapolis ranks ninth in city taxes, 12th in county taxes, ninth in school taxes and 22nd in special district taxes.

St. Paul—as did Minneapolis and Duluth—benefited from the new state takeover of funding for facilities for alternative schools. But Minneapolis did not show the same level of decrease in its school taxes as St. Paul. The Minneapolis school district used the opportunity of the lower school taxes to convert its tax capacity referendum levies to market value ahead of the state-required schedule. This conversion puts more burden for the referendum levies on homes.

The five *lowest* tax metro communities in the $115,000 home comparison include four townships:

May Township (834), $1,376; **Burns Township** (11), $1,380; **West Lakeland Township** (834), $1,435; **Forest Lake Township** (831), $1,441; and **Ham Lake** (11), $1,451.

Forest Lake, May and West Lakeland Townships are in Washington County; Burns Township and Ham Lake are in Anoka County.

The bottom five communities rank among the lowest in municipal taxes, in the bottom half in county taxes and somewhat mixed in school taxes.

$70,000 nonmetro homes
Staples—located in Todd County and in school district 2170—is again the top-ranked nonmetro community in taxes on a hypothetical home valued for tax purposes at $70,000, with taxes of $1,306.

Homeowners whose tax statements list an estimated market value of $70,000 should find their 1998 taxes similar to those listed here. The analysis shows that, depending on assessment practices, the selling price for such a home could actually range from $69,791 in Worthington to $84,848 in Caledonia.

The other four *highest* tax nonmetro communities in the $70,000 home comparison are:

Princeton (477), $1,271; **Thief River Falls** (564), $1,218; **Cambridge** (911), $1,218; and **Chisholm** (695), $1,192. Thief River Falls and Chisholm were new to the top five this year, moving up from 7th place and 10th place, respectively.

The average tax on a $70,000 homestead in the 130 nonmetro communities was $868.

Three of the five top-ranking tax communities are in the bottom tenth in average-value homesteads. Staples (at $35,132) is second lowest of the 130 nonmetro communities. Chisholm (at $39,640) is fourth lowest and Thief River Falls (at $47,741) is 12th lowest.

The average homeowner in Staples, then, is paying significantly lower taxes than on the $70,000 home in the comparative example. Taxes on the average-value home in Staples are $656, which ranks 107th among the 130 communities.

High city taxes and relatively high county taxes played a strong role in pushing the nonmetro communities to the top of the rankings.

- City taxes ranked first in Chisholm, second in Staples, third in Cambridge, 14th in Thief River Falls and 15th in Princeton.

- County taxes rank first in Princeton (Mille Lacs County) and sixth in Staples (Todd County); the other three communities (Pennington, Isanti and St. Louis Counties) are in the top third.

City taxes in Staples account for

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What do the rankings mean?

$70,000 and $115,000 comparisons. To arrive at a constant value for comparing taxes among communities, we computed the average home values in all metro and nonmetro communities of all sizes.

The $115,000 home approximates the metro average ($116,739), while the $70,000 value approximates the nonmetro average ($69,080).

A high ranking in this comparison shows that a community has relatively high taxes per dollar of homestead property—a high tax rate and little or no offsetting tax relief, such as the taconite homestead credit available to Iron Range communities. High tax rates indicate high government spending—by cities, schools, counties or special districts, like hospital districts or watershed districts—relative to a community's property-tax base. The analysis ranks taxes by these various levels of government, as well as total taxes. This comparison does *not* account for differences in communities' assessment practices.

A community's property tax base can vary depending on several factors: the value of homes; the amount of commercial-industrial property—which adds *more* to a community's tax base per dollar of property value than does homestead property; the amount of agricultural property—much of which adds *less* to a community's tax base per dollar of value than does homestead property; and the amount of tax base unavailable because of tax-increment financing (TIF).

Likely selling price. The survey includes a way of accounting for differences in assessment practices. Using the state-calculated sales ratio for each community, a "likely selling price" has been figured for each community—that is, the price at which a home valued for tax purposes at $115,000 (metro) or $70,000 (nonmetro) would likely sell for on the market. The sales ratio is the ratio of homes' actual selling prices to the value placed on the homes by the assessor.

For example, in the top-ranked nonmetro community, Staples, which has a sales ratio of 88.6 percent, the likely selling price of the hypothetical $70,000 home would be $78,918. Taxes on that home, if it were assessed at full value, would rank second, rather than first. Caledonia, which has the lowest nonmetro sales ratio, 82.5 percent, would have a likely selling price of $84,848; its tax ranking would jump from 79th to 30th.

In the top-ranked metro community, New Prague, which has a sales ratio of 90.5 percent, the likely selling price of the $115,000 home would be $127,072. Taxes on that home, if it were assessed at full value, would rank second, rather than first. North Oaks, which has the lowest metro sales ratio, at 84.3 percent, would have a likely selling price of $136,418 and its tax ranking would jump from 77th to 43rd.

These alternative rankings are included in Table 1 in the column marked "Rank on LSP tax."

Average-value homes. We calculated the average estimated market value for each community and compared taxes on these average-value homes. This analysis gives a better sense of what homeowners in various communities actually pay in property taxes.

But because the analysis reflects differences in tax rates *and* differences in value, a high ranking can mean that a community either has a high average home value, a high tax rate or both.

None of the analyses account for the special targeted property-tax refund intended to help offset large increases in taxes, since homeowners must specially apply for that refund.

TABLE 1: 1998 TAXES ON HOMES IN 108* METROPOLITAN COMMUNITIES

	$115,000 HOME**		AVERAGE VALUE HOME			
Community (School District)	Tax	Rank	Rank on LSP Tax***	Estimated Market Value	Tax	Percent Change '97-'98
ANOKA COUNTY						
Andover (11)	$1,518	103	105	$125,695	$1,738	-3.1%
Anoka (11)	1,621	88	95	93,941	1,161	-4.5
Blaine (16)	1,550	98	97	96,832	1,162	-9.7
Burns Twp. (15)	1,380	108	108	125,532	1,581	0.6
Circle Pines (12)	1,761	59	67	98,463	1,369	-12.1
Columbia Heights (13)	1,888	38	42	80,260	1,010	-18.0
Columbus Twp. (831)	1,646	81	61	124,665	1,864	9.5
Coon Rapids (11)	1,522	101	99	95,659	1,124	-8.7
East Bethel (15)	1,553	96	98	103,200	1,302	-4.9
Fridley (14)	1,719	72	76	94,836	1,248	-9.7
Ham Lake (11)	1,451	105	106	122,745	1,604	-2.1
Lino Lakes (12)	1,771	57	68	135,591	2,262	-7.2
Linwood Twp. (831)	1,521	102	94	106,980	1,354	3.1
Oak Grove (15)	1,690	75	91	118,507	1,770	-3.4
Ramsey (11)	1,523	100	100	116,720	1,559	-4.1
St. Francis (15)	1,724	71	86	95,668	1,272	-2.7
Spring Lake Park (16)	1,737	67	78	89,930	1,144	-4.4
CARVER COUNTY						
Chanhassen (112)	$2,150	3	10	$175,520	$3,857	3.6%
Chaska (112)	1,926	29	46	126,152	2,211	-1.3
Norwood Young America (108)	2,127	5	1	83,204	1,219	-4.5
Victoria (112)	2,070	10	4	186,018	4,012	-3.2
Waconia (110)	1,959	20	44	119,735	2,082	-5.1
Watertown (111)	1,894	35	17	87,486	1,190	-6.6
DAKOTA COUNTY						
Apple Valley (196)	$1,753	65	65	$127,215	$2,039	-5.0%
Burnsville (191)	1,746	66	70	121,327	1,895	-8.5
Eagan (196)	1,640	82	89	128,576	1,940	-6.3
Farmington (192)	1,801	52	74	106,956	1,608	-1.7
Hastings (200)	1,734	68	72	101,968	1,431	-0.9
Inver Grove Heights (199)	1,757	63	73	114,455	1,744	-6.0
Lakeville (194)	1,626	86	93	137,238	2,114	0.1
Mendota Heights (197)	1,561	94	103	179,982	2,928	-2.8
Rosemount (196)	1,931	27	45	124,935	2,186	-2.0
South St. Paul (6)	1,630	85	88	84,528	947	-14.2
West St. Paul (197)	1,634	83	90	97,792	1,256	-6.9
HENNEPIN COUNTY						
Bloomington (271)	$1,634	84	87	$124,700	$1,851	-4.5%
Brooklyn Center (286)	2,041	11	18	77,759	1,048	-5.9
Brooklyn Park (279)	2,074	9	11	94,893	1,530	-4.1
Champlin (11)	1,792	54	54	107,736	1,618	1.7
Corcoran (877)	1,760	61	51	142,418	2,415	-4.1
Crystal (281)	1,901	34	40	85,064	1,130	-7.1
Dayton (11)	1,755	64	50	123,824	1,963	-9.1
Deephaven (276)	1,826	48	53	262,225	5,499	-7.2
Eden Prairie (272)	1,987	17	26	170,316	3,434	-0.3
Edina (273)	1,803	50	56	172,179	3,146	-15.1
Excelsior (276)	2,021	12	15	125,135	2,298	-22.1
Golden Valley (270)	1,918	30	34	128,960	2,279	-2.8
Hassan Twp. (728)	1,623	87	71	139,683	2,166	-10.8
Hopkins (270)	1,932	26	22	102,707	1,612	-7.9
Independence (278)	1,777	55	77	182,699	3,424	-3.2
Maple Grove (279)	1,957	22	30	128,255	2,296	-2.3
Medina (278)	1,553	97	92	243,810	4,327	-11.7
Minneapolis (1)	2,097	6	8	88,170	1,348	-6.7
Minnetonka (276)	1,934	25	32	160,185	3,123	-6.1
Minnetrista (277)	1,760	60	80	230,007	4,492	-0.7
Mound (277)	1,776	56	57	112,380	1,713	-4.2
New Hope (281)	$1,905	33	31	$101,108	$1,547	-3.1%
Orono (278)	1,596	92	81	274,412	5,113	-11.3
Osseo (279)	2,134	4	6	85,538	1,314	-1.3
Plymouth (284)	1,758	62	69	156,327	2,711	-6.0
Richfield (280)	1,892	36	38	93,378	1,338	-6.5
Robbinsdale (281)	1,882	40	36	82,610	1,061	-7.6
St. Anthony (282)	2,011	14	25	98,725	1,581	-16.9
St. Louis Park (283)	1,802	51	52	105,605	1,572	-5.2
Shorewood (276)	1,913	31	39	227,147	4,833	-5.5
Wayzata (284)	1,851	46	29	262,096	5,417	-4.7
RAMSEY COUNTY						
Arden Hills (621)	$1,847	47	60	$142,379	$2,516	-0.5%
Falcon Heights (623)	1,990	16	21	126,736	2,284	-8.1
Lauderdale (623)	2,177	2	3	81,343	1,255	2.8
Little Canada (623)	2,090	7	5	102,047	1,749	-4.1
Maplewood (622)	1,816	49	47	103,889	1,548	-13.2
Mounds View (621)	1,957	21	20	96,297	1,475	-6.3
New Brighton (621)	1,854	45	35	121,369	2,010	-5.3
North Oaks (621)	1,679	77	43	311,377	6,064	-3.2
North St. Paul (622)	1,733	69	59	93,456	1,233	-14.4
Roseville (623)	2,019	13	16	110,793	1,912	-2.5
St. Paul (625)	2,000	15	9	82,189	1,115	-13.7
Shoreview (621)	1,858	43	41	126,909	2,150	-2.9
Vadnais Heights (624)	1,872	41	28	120,854	2,015	2.0
White Bear Lake (624)	1,890	37	27	103,294	1,601	1.6
White Bear Twp. (624)	1,866	42	33	125,717	2,127	3.5
SCOTT COUNTY						
Belle Plaine (716)	$1,926	28	14	$91,166	$1,309	-8.1%
Credit River Twp. (719)	1,526	99	82	153,757	2,336	-10.5
Jordan (717)	1,857	44	37	87,435	1,167	-3.3
New Market Twp. (194)	1,711	73	58	166,520	2,901	-6.4
New Prague (721)	2,231	1	2	94,873	1,634	3.4
Prior Lake (719)	2,080	8	7	134,406	2,610	-2.5
Savage (191)	1,955	23	24	123,907	2,187	-6.0
Shakopee (720)	1,980	19	12	104,736	1,708	-1.4
Spring Lake Twp. (719)	1,596	91	84	153,248	2,428	-5.7
WASHINGTON COUNTY						
Afton (834)	$1,561	95	83	$185,294	$3,037	3.2%
Bayport (834)	1,987	18	13	115,323	1,996	7.5
Cottage Grove (833)	1,688	76	75	104,276	1,444	-4.3
Forest Lake (831)	1,668	78	63	102,513	1,384	1.4
Forest Lake Twp. (831)	1,441	106	96	133,648	1,813	2.7
Grant (834)	1,452	104	102	206,277	3,245	-3.7
Hugo (624)	1,706	74	62	133,241	2,114	6.4
Lake Elmo (834)	1,725	70	49	173,362	3,070	4.4
Mahtomedi (832)	1,796	53	48	151,208	2,651	0.9
May Twp. (834)	1,376	108	104	179,387	2,581	3.4
New Scandia Twp. (831)	1,654	79	64	144,082	2,310	9.2
Newport (833)	1,942	24	23	94,957	1,422	-7.8
Oak Park Heights (834)	1,761	58	55	107,078	1,575	13.2
Oakdale (622)	1,616	90	79	100,872	1,308	-14.7
St. Paul Park (833)	1,566	93	101	86,290	955	-8.9
Stillwater (834)	1,886	39	19	119,238	1,992	3.3
Stillwater Twp. (834)	1,619	89	66	190,583	3,261	-0.4
West Lakeland Twp. (834)	1,435	107	107	208,722	3,256	2.9
Woodbury (833)	1,650	80	85	142,433	2,259	-5.6

*The 107 communities in the seven-county metropolitan area with populations of 2,500 or above, plus Excelsior, which has a population of 2,361.
**A hypothetical home in each community with an assessor's market value of $115,000.
***LSP is the Likely Selling Price, computed by dividing the assessor's market value by the median sales ratio for each city as a way of adjusting for differences in assessment practices.

SOURCES: Minnesota Dept. of Revenue Assessments and Tax Lists; Calculations by Minnesota Taxpayers Association

Property tax

Continued from page 5

[illegible] percent of total taxes on a [illegible],000 home, well above the average of 24.2 percent for all the nonmetro communities. The city has undertaken preventative infrastructure maintenance and improvement in recent years. Thief River Falls, too, is undertaking city infrastructure improvements and has a new city hall and Princeton is in the midst of a Main Street improvement project.

The five *lowest* tax nonmetro communities in the $70,000 comparison are:

Harris Township (318), $459; **Grand Rapids Township** (318), $477; **Becker Township** (726), $515; **Crow Wing County's First Assessment Unorganized** (477), $550; and **Livonia Township** (728), $611.

Harris and Grand Rapids Townships are in Itasca County; Becker and Livonia Townships are in Sherburne County. Harris and Grand Rapids Townships qualify [illegible] the state-paid taconite homestead credit, which reduces taxes by half or more in those communities.

Average-value homes

Taxes on average-value homesteads went up in only 23 of the 108 metro communities and down in the other 85. They went up in 73 of the 130 nonmetro communities and down in 57.

Property tax bills for owners of average-value homes went down by 10 percent or more in 14 of the metro communities. In contrast, taxes on average-value homes went *up* by 10 percent or more in eight of the nonmetro communities. The largest percentage decrease in the metro communities was in Excelsior (22.1 percent). The largest percentage increase in the nonmetro communities was in Ely (19.1 percent).

Dana Schroeder is editor of the Minnesota Journal *and Lynn Reed is research director of the Minnesota Taxpayers Association (MTA). The MTA did the data preparation and analysis for the property tax survey. Copies of the complete tables reporting the analysis and of the methodology for the analysis are available from the Citizens League at 338-0791 or the MTA at 224-7477. The methodology and the complete Table 2 listing all nonmetro cities over 2,500 are available online at www.citizensleague.net.*

TABLE 2: 1998 TAX ON HOMES IN SELECTED* NONMETROPOLITAN COMMUNITIES

	$ 70,000 HOME**		AVERAGE VALUE HOME			
Community	Tax	Rank	Rank on LSP Tax***	Estimated Market Value	Tax	Percent Change '97-'98
1st Assessment Unorg.(181)	$ 550	127	127	$ 90,024	$ 801	-6.3%
Austin (492)	853	69	69	58,610	714	7.8
Becker Township (726)	515	128	129	111,749	1,052	10.4
Cambridge (911)	1,218	4	3	85,259	1,635	4.3
Chisholm (695)	1,192	5	11	39,640	410	6.4
Duluth (709)	903	51	53	69,169	892	-4.7
Ely (696)	1,088	10	5	38,586	381	19.1
Faribault (656)	928	44	66	79,860	1,108	0.9
Glenwood (2149)	1,131	7	19	51,387	831	-3.1
Grand Rapids Township (318)	477	129	128	74,023	523	-7.2
Granite Falls (2190)	1,095	9	7	52,532	821	-0.4
Harris Township (318)	459	130	130	91,026	828	-7.8
Livonia Township (728)	611	126	126	102,842	1,092	-6.9
Mankato (77)	804	93	99	82,653	1,020	1.5
Moorhead (152)	905	49	61	74,836	967	1.4
Owatonna (761)	844	72	90	88,342	1,193	1.0
Princeton (477)	1,271	2	4	66,317	1,204	17.7
Rochester (535)	944	34	51	84,992	1,248	1.5
St. Cloud (742)	832	78	88	82,623	1,054	-0.9
Staples (2170)	1,306	1	2	35,132	656	-1.0
Thief River Falls (564)	1,218	3	1	47,741	831	13.0
Wadena (2155)	1,137	6	21	45,377	737	7.8
Willmar (347)	890	55	58	73,022	929	-0.9
Winona (861)	852	70	39	74,571	907	5.7

* The survey includes 130 nonmetro communities with populations of 2,500 or more and significant numbers of year-round homes. For space reasons only 25 communities are included in this table: the top 10 and bottom five nonmetro communities in total tax ranking, plus the 10 largest nonmetro communities. See note at end of article for information on availability of the complete table.
** A hypothetical home in each community with an assessor's market value of $70,000.
***LSP is the Likely Selling Price, computed by dividing the assessor's market value by the median sales ratio for each city as a way of adjusting for differences in assessment practices.

TABLE 3: 1998 TAXES IN SELECTED METRO AND NONMETRO CITIES*

METRO CITIES ($115,000 home)

Community (School District)	Total tax rank	City tax	Rank	% of total	County tax	Rank	% of total	School tax	Rank	% of total	Special dist. tax	Rank	% of total
New Prague (721)	1	$707	1	31.7%	$601	10	26.9%	$907	6	40.6%	$17	67	0.7%
Lauderdale (623)	2	427	36	19.6	695	3	31.9	960	2	44.1	96	29	4.4
Chanhassen (112)	3	483	20	22.5	705	1	32.8	894	11	41.6	68	47	3.2
Osseo (279)	4	580	10	27.2	572	11	26.8	882	16	41.3	100	24	4.7
Norwood Young America (108)	5	490	18	23.0	705	1	33.2	899	8	42.3	32	66	1.5
Minneapolis (1)	6	582	9	27.7	514	12	24.5	897	9	42.8	104	22	4.9
St. Paul (625)	15	550	12	27.5	626	5	31.3	726	44	36.3	97	27	4.9
Totals, **Averages****	108	**$368**	108	**20.3%**	**$536**	20	**29.9%**	**$803**	54	**45.3%**	**$82**	67	**4.6%**

NONMETRO CITIES ($70,000 home)

Community (School District)	Total tax rank	City tax	Rank	% of total	County tax	Rank	% of total	School tax	Rank	% of total	Special dist. tax	Rank	% of total
Staples (2170)	1	$547	2	41.8%	$499	6	38.2%	$259	95	19.9%	$1	72	0.1%
Princeton (477)	2	342	15	26.9	556	1	43.8	371	24	5.4	2	54	0.1
Thief River Falls (564)	3	345	14	28.3	466	14	38.3	393	14	32.2	14	10	1.1
Cambridge (911)	4	508	3	41.7	377	34	31.0	331	51	27.2	1	57	0.1
Chisholm (695)	5	682	1	57.2	367	38	30.8	140	111	11.7	4	39	0.3
[illegible]ls, **Averages****	130	**$216**	130	**24.2%**	**$322**	107	**37.0%**	**$324**	113	**38.2%**	**$5**	77	**0.6%**

*Taxes are computed on hypothetical homes with assessor's market values of $115,000 for the metro cities and $70,000 for the nonmetro cities.
**Counties often have more than one tax rate for library services or parks, because cities may provide these services to their residents. Also, the combination of tax capacity and market value referendum rates for schools results in more rates than there are school districts.

Immunization campaign a success in Minneapolis

A record number of Minneapolis schoolkids responded over the summer to a "No shots, No school" immunization campaign, according to the Healthy Learners Board, a coalition of health-care providers, the city's Department of Health and Family Support and the district.

A new district policy required students to have up-to-date immunizations and records in order to begin classes this year. In the past, students had a grace period until October to get their shots.

As of September 11, 98 percent of district students were in compliance. Last year, it took two months of intensive reminders and followup before the district achieved 96 or 97 percent compliance in November. This year's task was made more daunting by a change in state law requiring an additional tetanus-diphtheria booster for all students in grades seven through 12.

More than 10,000 students got their shots or updated their records since the campaign began in June.

Even better: The district vastly improved its information systems to keep better tabs on students' immunization status. And, with reports still coming in, at least 160 families who previously had no health insurance were helped with applications for MinnesotaCare or Medical Assistance.—*Janet Dudrow.*

Take Note

A few shots of public policy—without any needles.

Hot (un)investments: Looking for a way to make a philanthropic difference, but lacking the money? According to *The American Benefactor*, charitable giving clubs are starting to take hold across the country. The idea is similar to an investment club, but the goal is giving *away* money, not taking it *in*.

For example, the Washington Women's Forum is an organization of 200 members who each contribute $2,000 a year for five years. The group has grant committees who research and recommend donations in various categories, such as education, the environment and health care. Half of each member's yearly contribution is allocated in this manner; the other half is allocated by the individual.

Each group sets its own guidelines regarding the level of contribution from each member and the process for determining who receives grants. Four groups profiled in the magazine collected annual contributions anywhere from $500 to $5,000 and are made up of friends, coworkers, neighbors, etc. All were started by individuals who wanted to make a difference in their communities.—*Kris Lyndon.*

Homesick hackers: At a recent panel discussion on the metro region's labor shortage, Rick Krueger, head of the Minnesota Technology Association, outlined its unique marketing campaign to attract high-tech workers from Silicon Valley and other high-tech hubs to Minnesota.

The campaign has seen a lot of national publicity, including mention in the *Wall Street Journal* and *Newsweek*, according to Krueger. So far, the campaign has brought in 6,000 job applications to companies cosponsoring the campaign. This unique strategy has made Krueger a popular figure on California talk radio, where he's often asked to justify a strategy for stealing California's high-tech workers. His response? "We don't want your workers. We just want ours back."—*Ron Wirtz.*

A lesson in campaigning: Our fifth-grader decided to run last week for class representative to the student council—a new experience, since fifth grade is the first year kids can serve as representatives at her K-8 school.

The day the election was announced, one girl made a preemptive strike with campaign flyers and two pieces of bubble gum for each classmate. The next day—much to our daughter's chagrin, since she decided not to take that approach—flyers, slogans and campaign stickers abounded; several kids passed out candy, balloons and Oreo cookies, hopeful of garnering the sweet-tooth vote.

The results? Following the candidates' speeches, the kids chose five finalists, who then ran off for the position. Although four of the five finalists had passed out flyers, only one had passed out candy and he didn't win the election. The winner, in our daughter's opinion, was the girl who gave the most animated speech and will be a very good representative. Despite the descent into campaign frenzy, perhaps the outcome bodes well for the future of the electorate.—*Dana Schroeder.*

While most think of the lottery as a way to win a life-long vacation, one of its intents was to create an environmental trust fund. On the November ballot is a constitutional amendment to extend to 2025 the dedicated funding (currently 40 percent of all net lottery proceeds), now set to expire in 2001.

The trust fund currently stands at $235 million. Since 1991, dedicated proceeds from the lottery have paid for 177 environmental and natural resources projects, totaling $83 million. The Minnesota House of Representatives Research Department estimates that if the funding dedication is extended to 2025, the trust fund could grow to billions. If the amendment fails, the money that would have been earmarked for the trust fund will go into the general fund.—*R.W.*

Taking a page from the book of Blue Cross Blue Shield of Minnesota, two HMOs in Israel have filed suits against tobacco companies to recover damages for medical care to treat enrollees for tobacco-related diseases. In the first case, filed earlier this year, Kupat Cholim Maccabi sued the Dubek tobacco company, an Israeli firm. (Kupat Cholim is Hebrew for Sick Fund.)

The second suit was filed last week by Kupat Cholim Clalit. It seeks nearly $1.5 billion from a group of defendants, including the major American tobacco companies. Besides setting a record for damage suits brought in Israeli courts, it is apparently the first example of a suit brought against American tobacco companies in foreign courts.—*Allan Baumgarten.*

At the recent Communications and Information Society Forum, organized by Milda Hedblom at the Humphrey Institute, Darryl Anderson, Telework Coordinator for the Minnesota Department of Transportation, noted that MnDOT has a telecommuting hub in Cambridge for government workers from the northern suburbs to occasionally save the commute to St. Paul.

(The fact that there is a telework coordinator at what most people think of as the highway department is in itself interesting.)

Anderson also reported that on any given workday, nine percent of the Twin Cities workforce telecommutes, whereas only 5.5 percent ride public transportation. Almost a quarter of the workforce commutes at least one day a month. And 65 percent say they are interested, if they had the equipment and right circumstances at work. Talk about potential for easing congestion. —*Phil Jenni.*

"Take Note" contributors include Minnesota Journal *and Citizens League staff members and Allan Baumgarten, a health policy consultant, and Janet Dudrow, communications specialist at Allina Health System.*

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PERIODICALS
POSTAGE PAID
AT MINNEAPOLIS
MINNESOTA

Citizens League Matters

October 13, 1998

News for Citizens League Members

Welcome

New and returning members

Dave Bishop
Carol Carlson
John L. Ford, III
Kay Gudmestad
John P. Heintz
Katy Sears Lindblad
Audrey J. Reid
Kate Seng
Kate Foate Trewick

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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.

The Citizens League is an open membership organization. Suggested dues for membership are $50 for individuals and $75 for families. Please call 338-0791 for more information about membership.

www.
citizensleague.
net

Labor shortage committee report approved

The Citizens League's newest policy report, "Help Wanted: More Opportunities than People" was approved by the League Board of Directors on September 22. The report is the work of the Labor Shortage committee which was co-chaired by **Gary Cunningham** of the Humphrey Institute and **Steve Keefe** from Honeywell, Inc. In addition to the co-chairs 49 people played an active role on the committee. Thanks for your hard work.

Thanks to the following for serving on the Labor Shortage Committee

Jim Bartholomew	Jill Jacoby	Joel Spoonheim
Wendy Brower	Nathan Johnson	Evan Stanley
Scott Carlson	Beth Kadoun	Libby Starling
Cal Clark	Tom Keljik	Robert Streetar
Ken Dols	Larry Kelley	Steve Studt
Ann Duff	Janna King	Joy Svoboda
Linda Ewen	Sarah Kraabel	Dale Swanson
Charles Frisch	Beth Lewis	Liz Templin
Mike Gair	John Mullen	Blair Tremere
Tony Goddard	Jim Myott	Richard Tvedten
Todd Graham	Patrick O'Leary	Bob Webber
Kay Gudmestad	Steve O'Malley	Dan Wietecha
Erin Hanson	Ginny Pease	Alice Wilcox
Guy Harper	Mark Pridgeon	Hoa Young
Donna Herbel	Jim Scheu	Jonette Zuercher
Tom Hesse	Jim Schneider	
Jan Hively	Erika Sitz	

Citizens League finances improve in 1998

The Citizens League ended its 1998 fiscal year on August 31 (FY98) with an estimated operating fund surplus of $14,757. That compares with a budget shortfall of $11,367 in FY97. Revenue for FY98 was $499,157, an increase of $17,688 over FY97. Meanwhile expenses for the year decreased $8,436 from $492,835 to $484,400, which resulted in a net improvement of over $26,000 from FY97 to FY98.

While revenue from individual membership dues increased slightly in FY98 ($65,105 vs. $63,120), contributions from individual members declined from a record $76,266 last year to $64,280. Corporate and Foundation contributions declined slightly from $247,995 to $244.086.

The League's success on the revenue side for the year was fueled in large part by sponsorships and fees for special events and projects, particularly the New Wrinkle on Aging project, and by foundation grants from the New York-based Sloan Foundation and the Minneapolis Foundation. Income from the League's new endowment fund also increased in FY98. (The League endowment fund at the St. Paul Foundation increased from $68,000 to $126,000.) In all, 25 percent of the League's budget came from "earned income," the highest percentage, and largest amount, in League history.

The League Board of Directors will consider the FY99 budget and a workplan for the year at its November meeting. No major changes in budget or in program size and array are contemplated at this time.

The official audit of the League's financial statements is being conducted this month and copies should be available by the end of October.

New economic development organization housed at the League

The Citizens League is acting as fiscal agent and leasing office space to the Twin Cities Economic Development Group (TCED).

TCED is an emerging organization focused on promoting the economic well-being of low and moderate income people and the communities in which they reside. Its mission is to establish a regional vision and strategy that enables low and moderate income people to benefit from the strong economy the region has enjoyed throughout this decade.

The precursor to TCED was an informal group that became known as the Regional Economic Development and Employment Consortium. This effort consisted of more than two dozen individuals representing a diverse set of institutions across the region, who began to discuss shared approaches to common issues of economic development among low- to moderate-income communities.

Among the accomplishments achieved during 1994 and 1995 were to identify the financial resources available for business development in low income communities, recommending the development of a region-wide clearinghouse for technical, financial, and training services that could raise the scale and quality of resources available for economic development, and publishing a directory of existing economic development resources that gained wide use and acceptance.

TCED's 22 member board of directors is made up of public and private sector representatives from across the Twin Cities Region, including local governments, nonprofit organizations, educational institutions, foundations, utilities, banks, and business associations.

Rebecca Yanisch, formerly Executive Director of the Minneapolis Community Development Agency is the chair of the organization. The vice chair is Ken Johnson, President of the Saint Paul Port Authority. Bill Byers of the Metropolitan Council serves as treasurer and Karen Reid, Neighborhood Development Alliance serves as secretary. Other Executive Committee members include: Paul Williams, Local Initiatives Support Corporation; Orlena Iverson, TCF Bank; Ken Stabler, NSP; Ed Landes, US Bank; and Tony Goddard, Interim Director Minneapolis Chamber of Commerce.

Other organizations represented on the board include Hennepin and Ramsey Counties, University of St. Thomas, Printing Association of MN, City of New Brighton, the Minneapolis and the St. Paul Foundations, St. Paul Technical Council and Minnegasco. Citizens League vice president Matthew Ramadan, executive director of Northside Residents Redevelopment Council also serves on the TCED board.

Martin P. Adams was selected as TCED's President in August and is the only paid staff member. Adams has a long history of community involvement in Minneapolis serving as a policy aide for Mayor Sharon Sayles Belton and as a program officer for the Minneapolis Foundation.

The Citizens League has been very active in recent years on issues of economic opportunity and competitiveness and is delighted to help the new TCED get off the ground. For more information on TCED call Marty Adams at 338-0791.

MIND-OPENER BREAKFAST SERIES

Thinking Outside the Box: Innovative Solutions to the Affordable Housing Crisis

The first Mind-Opener series of the season has gotten off to a fast start. Tom Fulton did a terrific job of outlining the problem for a standing room only crowd of 115 people. Nearly 100 people attended the next week as Steve Cramer talked about PPL's efforts to provide affordable housing. Upcoming meetings: Tuesday, October 13, **Jim Stanton,** Local Developer and Director, National Association of Homebuilders, will outline strategies for reducing the cost of constructing affordable housing. On Tuesday, October 20, **Steve Thomas,** Program Director, Corporation for Supportive Housing will discuss the concept of "supportive housing" and innovative funding partnerships.

All meetings in this series are at the University Club of St. Paul, 420 Summit Avenue from 7:30 to 8:30 a.m. Cost is $10 for League members and $15 for non-members.

School Boards: Time for a New Lesson Plan?

The League's next Mind-Opener series will focus on the roles and responsibilities of school boards in Minnesota. Education consistently ranks as one of the most important issues on the public agenda. Yet school boards, which are elected specifically to address educational issues, often go unexamined. Are school board members supposed to represent the interests of students? parents? voters? tax-payers? future employers? Is the board's role to set policy for the district or to actually operate schools?

We will ask representatives of area school boards, superintendents and the legislature what they see as the role of school boards in a time when public schools are under increasing examination. Watch your mail for dates, times, and speakers for this series.