

MINNESOTA Journal

A PUBLIC POLICY MONTHLY FROM THE CITIZENS LEAGUE

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A small cluster of states—Vermont, Minnesota, Iowa, Nebraska, North Dakota, South Dakota and Montana—comes out on top of most measures of civic life and “social capital” in studies by Harvard’s Professor Robert (*Bowling Alone*) Putnam.

Only one contains a major metropolitan region: Minnesota’s Twin Cities area.

Putnam now has a \$1 million grant from the Ford Foundation and more from various community foundations, including the Saint Paul Foundation, to find ways to restore the nation’s declining social capital.

—Ted Kolderie

INSIDE

Viewpoint: Broader look at state fiscal system **3**

Solem sees transportation as growth issue **4**

Campaign finance reform proposal **5**

On Balance: Views from around the state **7**

Take Note: Policy tidbits **8**

Politically complex task of redistricting lies ahead

by Dave Chadwick

Every 10 years, Minnesota’s lawmakers are asked to redraw the state’s legislative and congressional districts to reflect changes in the state’s population. While apparently a straightforward task, redistricting the state inevitably involves a perplexing number of twists and turns throughout the legislative and legal systems. How does a process that appears to be the most basic of mathematical procedures reach this level of political complexity? What can we expect from the next round of redistricting?

Redistricting: the basic mechanics

The redrawing of Minnesota’s legislative map formally begins next March, when data from the 2000 Census are delivered to the Legislature. A central staff will assemble and monitor the Census data, set up computer systems for each of the Legislature’s caucuses and train the staffers who will actually draw up each caucus’s plan.

A subcommittee of the Legislative Coordinating Commission is already working on a resolution to establish some basic principles to govern next year’s redistricting process and guide each caucus’s work.

After the Legislature completes its work, the plan will move to the governor. Traditionally, governors have deferred to the Legislature during the initial development of the state’s legislative and congressional maps. They play a central role, however, through their decision to sign or veto whatever final redistricting plans the Legislature devises.

At the same time redistricting advances through the legislative process, the state’s legislative maps will likely also be making their way through the courts. Once the 2000 Census data is available, individual citizens will be free to bring lawsuits based on the dilution of their vote in districts that have grown beyond their 1990

size. Of course, these “average voter” suits are typically brought by partisan activists based on an assessment of their chances of getting a favorable redistricting plan drawn by the courts. Redistricting can also end up in the courts if the Legislature and Governor fail to agree on a plan in time for the next election.

A high-stakes political process

Superficially, redistricting is a simple mathematical process of redrawing districts to include equal numbers of voters. In fact, it represents one of the most politically intense tasks lawmakers are asked to undertake.

Redistricting forces lawmakers to address fundamental questions about their own personal survival in the Legislature. David Jennings was Speaker of the House during the redistricting debate that followed the 1980 Census. “Because the drawing of these lines is so inextricably connected to the very basic self-interest of the people in the Legislature, weird things happen,” he said.

Jennings predicts that any plan that does emerge from the Legislature will benefit incumbents as a group, rather than either political party. Attracting a majority of votes, Jennings believes, “means coming up with a plan that is going to protect incumbents or create a reasonable opportunity for a significant number of incumbents to return.” Inevitably, however, at least a few incumbents are forced into new districts or into districts already occupied by one of their colleagues.

The basic struggle to define a plan acceptable to the majority may be complicated next year by technological advances. Most commercially available personal computers now have the computing power needed to handle legislative map-making. The software needed to crunch the data, while expensive, will be considerably easier

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Redistricting continued on page 2

to obtain than it was in 1990 or 1980. "In 1980, very few people had the ability to sit down and look at possible alternative maps," notes Jennings. "By the 1990 redistricting, many people did. For this one, everybody will have that capability."

An emerging suburban majority?

For the past few decades, population has been growing steadily in the Twin Cities metropolitan area, along corridors to Saint Cloud and Rochester and, in recent years, in the central lakes region. Population has dropped in the western and northeastern rural areas of the state and in the core cities of Minneapolis and Saint Paul.

Political strategists and election watchers have long predicted that continued growth of the suburbs will fundamentally reshape the landscape of Minnesota politics. In fact, suburban areas have picked up increased representation at the Legislature in the last few redistricting cycles. Will the 2000 Census formally push us over the edge into a new era of suburban-dominated politics?

State Demographer Tom Gillaspay notes

Citizens League: Establish bipartisan redistricting commission

The fact that redistricting generally favors incumbents led the Citizens League to recommend in its 1992 report, *Reform the Election Process, Restore the Public Trust*, that the Legislature place on the ballot a proposal to establish a bipartisan redistricting commission to draw legislative district boundaries every decade. The League also recommended that local units of government should use redistricting commissions consisting of persons not members of the elected body. "Taking redistricting out of the hands of the elected officials—the primary beneficiaries of the results—could ensure that district boundaries reflect reasonable opportunities for all candidates and members of both political parties in partisan elections," the League said.

The League noted that in Iowa, which uses a nonpartisan bureau in an attempt to separate redistricting from partisan politics, the 1991 redistricting process pitted 40 percent of the incumbent legislators against one another and affected Democrats and Republicans equally. MJ



"I hate it when fairness and self-preservation are at odds!"

an important distinction between the population shifts in the state and the political process of redrawing legislative districts.

In certain areas of the state, Gillaspay explains, lower population density and immutable boundaries (like borders with other states) make the redistricting process fairly straightforward. Approaching the higher density and more centrally located areas of the state, however, the situation becomes more complex. The outlines of legislative districts in these areas are considerably more flexible and subject to negotiation through the legislative process.

The political identity of the state's suburban districts will consequently depend on whether legislative boundaries are drawn to promote a specific outcome. And this decision will be based on politics rather than any immutable demographic facts.

Of course, the political identity of the suburbs is itself an open question. Some argue there is a clear set of suburban views on issues like education, transportation and taxes fundamentally different from views held by rural and inner-city residents.

Former suburban legislator Mike Freeman offers a somewhat different perspective. "The suburbs are not uniform," he notes. "The needs of Richfield, Robbinsdale and Golden Valley are profoundly different from the needs of Deephaven and Maple Grove. There isn't a 'common agenda.'"

Another popular view sees more common ground between older, inner-ring suburbs and core cities than between inner-ring and newer suburbs.

Whether these dynamics create any specific bloc of suburban legislators, however, will depend on how the lines are drawn and how suburban regions are grouped together. "At the end of the day," Jennings observes, "the map will matter." He believes that the potential for this kind of "power shift to a new geography" will amplify the impact of this round of redistricting on Minnesota's political landscape.

tricting on Minnesota's political landscape.

Changing partisan identity

A recent poll by Metropolitan State University found that 42 percent of Twin Cities residents identified themselves as "independents" rather than Democrats or Republicans (*Minnesota Journal*, Sept. 19). How will this dramatic shift in partisan identity play out in redistricting?

Jennings predicts that the increasing independence of voters will raise the likelihood of the Legislature changing partisan hands in each election cycle and might also boost the potential for a clear suburban bloc of legislators.

On the other hand, Freeman stresses the important role political parties play in local elections. Even in suburban districts, the parties are still crucial to the success of individual campaigns.

The Governor

Governor Jesse Ventura represents a new dynamic in the upcoming redistricting debate. Officially, the Governor intends to focus on finding a fair plan for the citizens of Minnesota, without regard to partisan political concerns. He also does not intend to link redistricting to any other political initiatives or reform proposals or use it as leverage to advance any partisan interests of his own.

Given the past few years of tripartisan government, Ventura's presence might create an atmosphere of compromise normally absent from redistricting debates.

At the same time, the meaning of "fairness" is not clear in a process that is both inherently partisan and as intimately linked with the interests of each legislator as redistricting. Will the Governor be able to support a plan that obviously protects incumbents? As leader of his own emerging party, will he be willing to accept a plan that fundamentally maintains the two-party system?

The high political stakes of redistricting causes this apparently technical process to defy easy resolution. The final shape of the state's legislative map will ultimately depend as much on the political goals lawmakers hope to advance as on the sheer facts of changing state demographics. **MJ**

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Viewpoint From the Executive Director

Time for a broader look at the state fiscal system

by Lyle Wray

Governor Jesse Ventura's recent bombshell proposal to have the state take over most of the financing of K-12 education in Minnesota is a salvo in a long-standing struggle to grapple with state and local finances and responsibilities. The Governor and his Finance Department can be expected to float even broader fiscal proposals in the coming months.

Changing times demand new approaches to raising and spending public money. The loss of revenue due to Internet commerce (already one to two percent in Minnesota) is just one example. But major fiscal reforms are hardly new to Minnesota. More than a quarter century ago, the Minnesota Miracle dramatically reduced local property tax burdens for K-12 education by substituting revenue from income and sales taxes. Since then there have been a myriad of adjustments in the state-local finance system with a great deal of money devoted to "buying down" local property taxes.

In addition, for more than a decade the state has assumed financial responsibility for specific functions formerly paid for with local property taxes, such as local courts and parts of the welfare system. Proposals are currently circulating that would do the

same thing with child welfare expenditures. And of course, there is the "big plan" for the state to take over much of K-12 funding.

The K-12 proposal is intriguing and would have sweeping implications, as it involves what is already by far the largest state expenditure. But at its core, K-12 is somewhat of an enigma: the state has a constitutional responsibility for K-12 education, but Minnesota also has a very strong tradition of local control. How those two elements will blend within the state's most expensive public program and a very heated political context is hard to predict.

The Citizens League has long studied the state fiscal system and it might be time again to work on state fiscal reform in a concerted way. Here is a working list of possible items.

Make spending decisions and accountability clearer for property taxes. Several years ago, the Citizens League proposed an "ABC" property tax system that would clearly label every local expenditure as either state mandated, locally desired, or, in many cases, a combination of both. This would help citizens identify where increased taxes were going and assist them in holding the appropriate party responsible. This reform might coincide nicely with the major changes now on the table.

Truth in public sector compensation. A second reform relates to the fact that preparation of the state budget does not include the cost of settled contracts with city, county and school district employees. Without a clear sense of the total compensation increases committed by contract in the largest public spending system, state budgeting is a somewhat dicey proposition. Too often, settled contracts with K-12 employees become the reason for budgets well over the Governor's initial recommendations.

It is important to avoid these "routine surprises" and to fully document the cost of city, county and school district settlements. The chronic under-budgeting for salaries in the K-12 system, where billion

dollar increases in expenditures are followed by cutbacks and bake sales for textbooks, has long become tiresome. Public disclosure of the real cost of compensation increases by type of employee and skill level is critical to a more informed budget process.

The reporting of revenue, spending reallocations and teacher salaries by school sites required by the 1999 Legislature is a first step in this direction. (See *Minnesota Journal*, Apr. 11 and May 16, 2000.)

Reshape local aids and major spending systems. Many public finance structures were formed in the 1970s and added to piecemeal over the years. The time has come for a more systematic structural change.

In the case of local government aid, we need to dust off the Ladd report. State aid to local governments should be restructured to focus on filling the gap between the cost of providing needed services and the capacity of individual communities to raise the necessary revenue, with any remaining state aid devoted to fully funding state mandates. Historically, the state has clung to poorly targeted and unfocused aids to local government.

In higher education, public funding is largely based on the number of new students in full-time degree programs. Over the next few decades, an increasing number of those seeking training and education will already be in the workforce. Funding systems need to be redirected to these new circumstances where more and more students are seeking short-term skill development, rather than degrees.

Governor Ventura's K-12 proposal should set off some renewed thinking about sharpening up our state's fiscal system to better suit new times and to increase the value for money spent. **MJ**

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Solem sees transportation as key infrastructure issue for growth

by Dana Schroeder

Jim Solem, recently retired as the Metropolitan Council's regional administrator, has no doubts about the Council—at the behest of the Legislature—taking over the operations of the region's wastewater treatment and transit systems, which occurred just as he took office in July 1994. It was “absolutely the right thing to do to bring together all the pieces—the two big infrastructure systems that have a continuing impact on growth,” he said in a recent interview. “It had to be done.”

Solem said the region has provided one of the key infrastructure systems since 1969, when the Waste Control Commission was created. “It's quite a remarkable system in terms of meeting the growth needs of this region. We have the capacity—with a few additions and some substantial upgrades—for the next 20 years.”

“The big infrastructure issue is transportation,” he said. “Under the old fragmented system there was an enormous amount of energy wasted in conflict among the three transportation/transit planning organizations in this region: the Metropolitan Transit commission, the Metropolitan Council and the Regional Transit Board. The merger provided accountability for a single policy body and a single administrative structure.”

“I think it's worked very well,” Solem said. “One of the things I'm most proud of is an enormous improvement in the bus system, Metro Transit. It demonstrates, I think, the wisdom of a single governing body and accountability system and support from an administrative and policy standpoint that enabled the right things to happen.” It allowed the Council to bring together work on funding and the planning and operating functions.

Support for changes

“It's important that people understand that the Council at the time of the merger supported massive changes in the structure and operations in both wastewater and transit,” he said. “I never had a single issue involving the Office of the Regional Administrator making a decision that I thought had to be made that the Council didn't support me on. They supported, as did the new Council, the idea that somebody had to be in charge.” He said the

model of a part-time chair and regional administrator is a good one.

In the case of transit, he said, the Council supported him in finding top-notch transit administrators. Ridership is up, he said, the light-rail

effort is underway, and the capital system is being upgraded, with construction of a new garage site and the purchase of new buses. “A lot of good things are happening,” he said.

Wastewater rates are down 13 to 15 percent, Solem said, while the operating budget was reduced by \$20 million. At the same time they've taken on well over \$200 million in system upgrades and improvements.

“How were we able to do that?” he asked. “By actually getting control of the operation of the place and doing the kind of efficiency improvements that should have been done 15 years ago. That happened because the governing body supported me and the people at Wastewater Services in the change process.”

“So I think the operational results of the merger were exactly what needed to be done,” Solem said. “Operations did not drive out planning and planning had to get real,” he said. “Operations had to listen to planning.”

“At the same time we have moved ahead in implementing the Council's Regional Blueprint in ways I think have been very productive,” he said. “We've engaged the local governments and the development community in serious conversations about the future of the region.”

Solem said Metro Council Chair Ted Mondale and the new Council have “exactly the right agenda and the right approach for building on what happened over the last six years.”

He said in the next 20 years the region will add a half million more people, or about 20 percent, to the current population of 2.6 million. “We're the ninth fastest growing region in the United States,” he said. “So we can't avoid the



“Unlike our sewer system, in 20 years our transportation system could stink up the entire metro area!”

issues and the impact of continued growth.”

He said Mondale and the new Council have made a priority of linking growth with transportation and transit and emphasizing design to do a better job of shaping the form of new growth. “We clearly can have an impact with that 20 percent of growth that's going to come, in providing some choices and alternatives to the kind of growth we've had over the past 20 years,” Solem said.

Competitive position

“Ted is right that a big part of what this region has to think about is its competitive position for the long haul,” Solem said. “We have water, which the West and Southwest don't have. We have wastewater capacity, which a number of places around the country don't have, at least at the price and cost that we have and certainly not at the quality. We run the best wastewater treatment system on the whole Mississippi River. We have a reasonably good transportation system, but it's rapidly losing its capacity to service the region.”

He said the most frustrating part of his job was trying to figure out a solution to long-term transit funding. “This region cannot avoid serious conversation about transportation and transit finance if we're going to succeed for the long haul, if we don't want to become another Atlanta,” he said. “In Atlanta congestion has had a dramatic impact on the willingness of the private sector to invest in that region. You can't move goods and people either through or in and around the Atlanta region.”

“Ted has a wonderful relationship with

Solem *continued from page 4*

the Governor, who is a strong supporter of the Met Council,” Solem said. “He has demonstrated more concern for serious regional issues—housing and transportation—than we've had in many a decade.”

“The Legislature has to get engaged and stay engaged in growth issues and capacity and response to growth,” he said. “Maybe the new Legislature will restructure and provide continuing attention to the metropolitan area, even beyond the seven counties.”

30 years of service

Solem reflected on his last 30 years of public service in Minnesota.

“I've had three great jobs since 1970,” he said. “I worked at the State Planning Agency when it was doing really good

things under two wonderful people, Jerry Christenson and Peter Vanderpoel. You couldn't ask for better people to work with. Then I spent 16 years at one agency, the Housing Finance Agency, which gave me a chance to do good things and stay with something for a long time. It's hard not to say that being a commissioner for that long was probably as good as it gets.

“But the Met Council was a fascinating and marvelous opportunity to be involved at an important time, with the merger and the things taking place. That's a once in a lifetime opportunity. I had a great time doing it—working with a great bunch of people, both Council members and the staff. It was the most fascinating thing you could do in public administration. I can't

think of a place where you could be doing a more diverse set of things on any given day. I think a lot of good work was done.”

“I wouldn't change any of them,” he said of his jobs.

Solem will continue doing special projects at the Council until the end of the year. He is on the board of several nonprofits, “although I'm not going to run anything again.” He also plans to do some housing-related work, but has not yet defined it. **MJ**

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1993 campaign finance reforms: What worked? What didn't? What's needed?

by Beth Fraser

In 1993 the Minnesota Legislature passed major campaign finance reforms, based in large part on recommendations of the Citizens League in its 1992 report, *Reform the Election Process, Restore the Public Trust*. When the reforms were passed, they signaled Minnesota's commitment to ethical and accountable government and made Minnesota a national leader in campaign finance reform. It's time again for Minnesota to demonstrate leadership and vision to reform our political system.

The 1993 reforms made important changes to Minnesota's campaign finance law. Election year contribution limits to candidates from individuals and political action committees (PACs) were reduced—from \$20,000 to \$2,000 for gubernatorial candidates in an election year, and from \$1,500 for senators and \$750 for representatives to \$500 for all legislative candidates. (The Citizens League had recommended prohibiting PAC contributions to individual candidates and legislative caucuses, but continuing to allow such contributions to political parties.)

The reforms also limited the number of campaign committees a candidate could have. Before 1993, many incumbents who

felt secure in their reelection had “Friends of...” committees in addition to their own reelection committees. They solicited contributions to these “Friends of...” committees and then gave the funds to other candidates that they wanted to support, a clear abuse of the campaign finance system to increase their power. The 1993 reforms limited candidates to one campaign committee and prohibited the transfer of funds among campaign committees.

The partial reforms enacted were intended to limit the amount candidates spend on campaigns, reduce the money that individuals and PACs could contribute to the process and increase the visibility of the money trail in our political system. But Minnesota's current campaign finance system, with its unlimited contributions to parties and legislative caucuses, its conduit funds and its independent expenditures has circumvented the intent of the 1993 reforms.

Most significantly, there is no legal limit on the size of contributions to political parties and legislative caucuses. The money that, prior to 1993, was contributed to candidates didn't leave the campaign finance system; it was simply rerouted. Between 1992 (the last time the full Legislature was

up for reelection before the reforms) and 1996 (the only time since the 1993 reforms in which the whole Legislature was up for reelection), contributions to state parties and legislative caucuses increased nearly 150 percent—soaring from \$3,412,832 to \$8,494,488. The amount of money parties and caucuses gave to candidates increased by 78 percent—climbing from \$358,995 in 1992 to \$640,400 in 1996. This year's elections will undoubtedly set even higher levels.

Soft money

The influence of this “soft money” on our political process is harder to detect. Party and legislative leaders make decisions—which candidate's campaign to support, what caucus positions to take, who should chair which committee and what bills should be heard—knowing they have to maintain the good will of their major donors. But the public generally has no way to track what influence various donors have on these decisions.

The 1993 reforms also set up “conduit funds” and required absolutely no meaningful reporting of these contributions. Conduit funds are accounts set up by

Campaign finance continued on page 6

corporations to encourage employees to financially participate in the political process. The corporation can't tell employees who to vote for, but they can do "education" on issues of importance to the company. Employees contribute by writing a check to the fund or through payroll deduction. Then a check(s) from the "Employees of X Corporation Conduit Fund" is sent to the candidate along with a list of employees who contributed.

Unlike political action committees, which similarly aggregate individuals' contributions, conduit funds are not required to register with the Campaign Finance Board or to file reports of their contributions. Thus, unless an individual employee gives over \$100 to a candidate through a conduit fund, the contributions appear only as "Small Un-itemized Contributions" on candidate reports. Only the candidate and the staff know that employees of X Corporation made a sizable contribution.

Because these conduit funds go unreported, Minnesota has less disclosure of who is funding candidates. In Wisconsin, which requires disclosure of conduit funds, over \$1.7 million were passed through them in one election cycle.

The 1993 reforms attempted to tackle the unfair advantages created by independent expenditures—advertisements for or against a candidate paid for by PACs without the knowledge or consent of the candidate. The law as passed provided matching money for candidates to rebut independent expenditure efforts. Unfortunately, the Eighth Circuit Court ruled this provision unconstitutional. This leaves candidates who agree to abide by spending limits no funds for a rebuttal if they have already committed available funds in other ways. It makes it possible

for a wealthy special interest group to sway the election.

Clearly, large donors believe political contributions are a worthwhile investment. Both PACs and large donors often give contributions to multiple candidates and parties, not just those that espouse their political philosophy. That way no matter who wins, they develop a relationship and access. The Andreas family, for example, who run the Archers Daniels Midland Company, gave over \$10,000 to three different gubernatorial candidates. The Pohlads family (of Minnesota Twins owner Carl Pohlads) gave \$25,000 to both the state Republican and DFL parties on the same day during the 1998 election cycle.

Clean Money/Clean Elections

As long as candidates rely on private contributions to run their campaigns, large contributions will have undue influence. Instead of continuing to tinker with our broken campaign finance system, we need to replace it. And now there is a model system, already in use in other states, that is comprehensive, fair and constitutional. The Clean Money/Clean Elections system provides candidates with the option of full public financing for their campaigns. Candidates must qualify for public money by collecting a specified number of signatures and \$5 contributions in their district. Candidates must also agree to forego fundraising and abide by strict spending limits. The Clean Money/Clean Elections proposal for Minnesota includes caps on contributions to parties and caucuses and provides matching money to help candidates targeted by independent expenditures.

Maine, Massachusetts, Arizona and Vermont have already passed the Clean Money/Clean Elections model and it is on

the ballot this fall in Missouri and Oregon. State and federal courts have upheld it, including a provision to provide matching funds for independent expenditures. Constitutional experts believe that Minnesota

courts would uphold this provision, if enacted as part of an entirely new campaign finance system.

Maine, Vermont and Arizona are implementing Clean Money/Clean Elections during this election cycle. Candidates who are using the system say it is already changing the way politics work. In the race for Arizona's statewide Corporation Commission, Republican candidate Mark Spitzer reports, "I've thoroughly enjoyed campaigning under the new system, which is really old-fashioned, grassroots politics. I've heard from volunteers across the state and they are energized by this new system." In the same race Democratic candidate Barbara Lubin, says, "[A]sking people from all walks of life for \$5 has been very rewarding for me, but also for them. Retired people and people with modest incomes feel they are a part of the political process they once felt left out of."

Legislators know that public distrust and dissatisfaction with our current campaign finance system is widespread and increases with each election cycle. They need to know that voters are ready for a change. A national poll of likely voters last spring by the Mellman Group found that 67 percent of the public favors comprehensive reform, with full public financing to candidates, and that this approach is strongly supported across party lines: Democrats—76 percent favor, 15 percent oppose; Republicans—59 percent favor, 27 percent oppose; independents—71 percent favor, 14 percent oppose.

Though many legislators are reluctant to change the system that got them elected, that doesn't mean we need to settle for a politics that's dominated by money, distorting our democracy and discouraging citizen participation. A bill establishing Clean Money/Clean Elections for Minnesota will be introduced in the 2001 legislative session. It's a proven, workable system for returning fairness to elections and making candidates' ideas and positions more important than their fundraising ability. Enacting this system in Minnesota is the first step we need to take in the quest to revitalize our democracy.

MJ

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OnBalance

Views From Around the State

"In the modern world the intelligence of public opinion is the one indispensable condition of social progress."—C. Eliot

Red Wing Republican Eagle said (Sept. 28) Gov. Jesse Ventura deserves credit for initiating an examination of how public schools are funded, but the paper is "less enamored" with the suggestion that the state consider organizing school districts along county borders. "We question whether such a major upheaval of the system would be worth the anticipated savings—which, at present, are unknown...It's healthy to explore additional consolidation if costs can be reduced and quality can be maintained, or even improved. But that's better handled on a case-by-case voluntary basis rather than state mandate." St. Cloud Times said (Sept. 15) Ventura's proposal for the state to fund all of basic K-12 education is "an intriguing and challenging idea." It said Ventura will have to fill in specifics about where the revenue to replace the local property taxes will come from, how the plan will address the inequities caused by excess levies and referenda in some

districts and what difference the funding system will make in local control of schools. Fergus Falls Daily Journal said (Sept. 15) Ventura's plan is "interesting" but "ultimately would not work for Minnesota." The paper said, "100 percent state funding will lead to 100 percent state control of education" and that reducing local funding "removes one of the large incentives for local interest and concern about the details of school operation."

Bemidji Pioneer said (Sept. 13) Ventura's school funding plan "merits study and refinement." The paper said "a system must be devised to assure some local controls over curriculum and programs." It said the plan could benefit taxpayers with the prospect of statewide negotiation of teacher contracts, school district consolidations and tighter accountability controls. Star Tribune said (Sept. 19) Ventura's plan needs to be clarified, since it would not remove the excess

referendum levies that now account for more than half of school property taxes paid in Minnesota. It would, instead, cover the full share of K-12 school funding that the state requires, which would boost the state's share of K-2 funding from 66 percent to about 78 percent, on average. Some more ambitious reformers would like to see statewide takeover of some or all of the excess levies, too, to better equalize educational resources among districts. The paper said (Sept. 11) Ventura's proposal is signaling that he wants "much more than timid tinkering with taxes next year. . . Proposing a state takeover of school funding is a gutsy way to launch a tax reform plan." Rochester Post-Bulletin said (Sept. 14) if Ventura's proposal is enacted, "it would open the way for profound and far-reaching changes in the way state and local government operations are financed. . . Looking at the whole picture might provide a more rational approach than the usual practice of tinkering with small details."

Republican Eagle said (Sept. 13) that at the heart of Ventura's proposal is a "long overdue" discussion of the state's property tax system. Mesabi Daily News said (Sept. 12) the Governor should be given credit for raising the issue of how K-12 education should be funded. "[I]t will all be out there on the table—a radical change in state tax policy and how to fund it." Duluth News Tribune called (Sept. 12) Ventura's plan "intriguing" but said Ventura should be careful not to make the state vulnerable to financial crises by relying too heavily on any one tax and not to upset the balance of tax burdens by changing the system to put a heavier burden on lower income households. Mankato Free Press said (Sept. 12) removing the school burden from property taxpayers makes sense because property taxes are difficult for those with fixed incomes to pay, school funding has become too complicated and farmers shoulder a huge share of the property tax burden for local schools, regardless of their incomes. The paper called on legislators to "accept the challenge of crafting a new school funding system that is simpler and more progressive. MJ

STATEMENT OF OWNERSHIP, MANAGEMENT AND CIRCULATION
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1. Paid/requested outside-county mail subscriptions stated on form 3541	879	744
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3. Sales through dealers & carriers, street vendors & counter sales	None	None
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C. Total paid and/or requested circulation	1,821	1,650
D. Free distribution by mail	200	200
E. Free distribution outside the mail	0	0
F. Total free distribution	200	200
G. Total distribution	2,021	1,850
H. Copies not distributed	279	450
Total	2,300	2,300
Percent paid and/or requested circulation	90.10	89.19

I certify that all information furnished on this form is true and complete. I understand that anyone who furnishes false or misleading information on this form or who omits material or information requested on the form may be subject to criminal sanctions (including fines and imprisonment) and /or civil sanctions (including civil penalties)

Signed, Lyle D. Wray, publisher. Sept. 22, 2000



"This new campaign reform gives new meaning to the phrase, 'Gimme five!'"

TakeNote

Policy Tidbits

Fiscal disparities finds no home on the Range.

The Iron Range fiscal disparities program—modeled after the tax-base sharing program in the Twin Cities metro area—has been declared unconstitutional by an Itasca County District Court judge. In the Sept. 13 decision, the judge ordered the implementation of the program—passed by the Legislature in 1996 and first put in operation in 1997—to cease immediately. However, the order also included a 90-day stay, pending post-trial motions or an appeal. The state attorney general's office intends to file an appeal.

The program shares 40 percent of the growth in commercial-industrial property tax base since 1995 in the area that makes up the taconite tax relief area: all of Cook and Lake counties, parts of St. Louis, Itasca, Aitkin and Crow Wing Counties and a small part of Koochiching County. In tax year 2000 the Range program has a shared tax-base pool of \$852,777, or 2.5 percent of the area's C-I tax base of \$33.8 million, which is redistributed to 239 participating communities.

The judge's opinion relied heavily on the 1974 state Supreme Court decision that upheld the constitutionality of the Twin Cities fiscal disparities program. The Iron Range decision does not contest the constitutionality of the Twin Cities program. But it makes a clear distinction between the density and interdependence of the Twin Cities metro area and the less dense, independent communities in the geographically larger Iron Range area. It also cites the fact that there are no regional governing agencies on the Iron Range comparable to the Metropolitan Council.—*Dana Schroeder.*

Minnesota has 847,305 public school K-12 students and 6,500 students—or less than one percent—in charter schools, according to Education Minnesota, the state's teachers' union. Private schools have 87,674, or about 10.3 percent of the number of public school students. There are 54,007 teachers, or one for every 15.7 students in the state.—*Lyle Wray.*

Researchers studying American teenagers for the Alfred P. Sloan Foundation over the past 10 years were startled to discover how rapidly young people's ambitions were rising. Fully 90 percent of adolescents now expect to graduate from college and 70 percent expect to have professional careers. Six times more teenagers want to be doctors and five times

more lawyers as the projected openings in those fields. More than half are aiming for degrees that exceed the level of education needed for the careers they want.

Most, however, have no clear plans for reaching those goals: "drifting dreamers," the researchers call them.

Barbara Schneider and David Stevenson report the study in *The Ambitious Generation: America's Teenagers; Motivated But Directionless.*—*Ted Kolderie.*

Almost 900 organizations currently participate in Minnesota Housing Finance Agency (MHFA) mortgage and home improvement loan programs. An agency analysis, however, indicates that 55 of these organizations produce 80 percent of the loans. The MHFA board recently approved changes that will ensure statewide access to these loans, while increasing efficient and effective use of agency resources.—*Marina Lyon.*

Tech bucks go further here. While technology professionals living in the Bay Area and New York City lead the nation in salaries, technologists in Texas, Atlanta and the Twin Cities have as much as twice the discretionary income, according to an "affordability index" developed by techies.com, Inc., research.

The index factors tech salaries against the federal Cost of Living Index to measure their value in real dollars in 26 technology markets. The five most affordable markets, along with their index values, are (1) Austin, 105.6; (2) Dallas, 105.5; (3) Houston, 105.3; (4) Twin Cities, 100.1; and (5) Atlanta, 99.7. The five least affordable markets are (1) New York City, 49.5; (2) Bay Area, 72; (3) San Diego, 77; (4) Boston, 79; and (5) Los

Angeles, 82.

The techies.com index shows that housing and other cost of living factors have outstripped the earnings bonus in coastal tech markets, leaving many land-locked tech markets ideal for professionals seeking good pay.—*Ron Wirtz.*

In a ranking of the best national universities by *US News and World Report* (Sept. 11), the University of Minnesota again did not make the top 50. Five Big Ten schools did, including the University of Wisconsin-Madison. Schools were ranked on 16 indicators of academic quality.

Of the 505 regional universities ranked by the magazine nationwide—those with relatively few doctoral programs—31 were in the Midwest. All three from Minnesota making the list were private—the University of St. Thomas, the College of St. Catherine and the College of St. Scholastica. No MnSCU institutions made the list, while three University of Wisconsin campuses—Eau Claire, La Crosse and Stevens Point—did.—*L.W.*

Pedestrians wondering whether cars really will obey the "yield" law might recall the old wisdom of sailors:

"Here lies the body of Roger Gray,
Who died defending his right-of-way.
He was right, dead right, as he sailed along.
But he's just as dead as if he'd been wrong."—*T.K.*

Contributors to "Take Note" include Minnesota Journal and Citizens League staff members and Marina Munoz Lyon, vice president of the Pohlman Family Foundation, and Ron Wirtz, district news editor for the Federal Reserve Bank's fedgazette.

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CITIZENS LEAGUE

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NEWS FOR CITIZENS LEAGUE MEMBERS

OCTOBER 17, 2000

Welcome

New and returning members

John Brolly
Robb Clarksen
John Colonna
John Darland
Thomas Grandy
Elly Gustafson-Held
Steve Hoffman
Kate Kelsch
Robert and Deborah
Montgomery
Alan P. Shilepsky
Leo Stern
Elizabeth Willoughby

Citizens League

NETWORK

presents

Lyle Wray
Executive Director
Citizens League

*** Please note the date change ***

Monday, October 23, 2000
7:00 - 8:30 p.m.

Macalester College
Weyerhaeuser Board Room
1600 Grand Avenue
St. Paul, MN

League Executive Director Lyle Wray will discuss two significant trends in the field of public administration or "getting the public's business done." The first involves the new public administration which focuses on planning, partnerships and outcomes. The second trend recognizes that public problem solving requires leadership and participation from the private and non-profit sectors in addition to government.

CITIZENS LEAGUE

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www.citizensleague.net

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. Please call 612-338-0791 for more information about membership.

Review the annual meeting results and let us know what you think. See the other side for more details.

www.citizensleague.net

There is no charge for this event. A reception with light refreshments starting at 6:30 will precede the meeting.

Lyle Wray's presentation is part of George Latimer's Urban Studies class at Macalester College. The meeting was originally scheduled for October 30. Milwaukee Mayor John Norquist was scheduled for the 23rd but an unforeseen conflict has necessitated a switch in dates. Wray will present on October 23 and Norquist on October 30.

Citizens League Network meetings are designed to provide League members and their guests with an opportunity to discuss current policy issues and to interact and meet with others interested in learning more about regional issues and initiatives.

Milwaukee Mayor John Norquist headlines next Mind-Opener

The next League Mind-Opener breakfast series will begin on Tuesday, October 31. Milwaukee Mayor John Norquist will talk about urban design, schools, housing and the future of American cities. Norquist will also be the guest lecturer at George Latimer's class at Macalester the night before.

The second meeting in the series will be on Thursday, November 2. The 1999 Legislature directed the Environmental Quality Board (EQB) to examine the long-term effects of urban development on the economy, environment and way of life in Minnesota. A citizen steering committee has developed a list of issues for the study to address. **Mark Haveman** of the EQB will outline the committee's draft report and solicit public input. The series will conclude on Thursday, November 9 with an as yet to be determined program. Watch your mail for more details.

Members share their ideas at League annual meeting

About 80 people participated in a conversation about the future of the community and the League at the annual meeting on September 21. (A complete summary of the meeting can be found on the League's web site at www.citizensleague.net.)

League Executive Director Lyle Wray set the context for the evening with a wide-ranging presentation entitled "Fasten Your Seat Belts Minnesota!" Among the trends he cited:

- Only 5 percent of metro residents consider themselves to be involved in civic affairs today compared to 17 percent in a previous survey.
- In 1996, 20 percent of metro residents considered themselves political independents. Today that number has risen to 42 percent.
- Demographic, economic and technological changes have radically altered the notion of "place."

Independent-minded voters, less civic involvement, a new political landscape and changing local leadership present a radically new environment for the Citizens League. Wray described the League's niche as providing good ideas to make this a better place. He challenged members to think of new ways to do that; and to find ways to fund the League that are less dependent on traditional place-based leadership and institutions.

Laurel Feddema followed with a review of the work of a special Board sub-committee that examined the League's mix of "products."

The committee recommended that the League review its mission and adopt a more rigorous approach to advancing the mis-

sion, strengthen the program array and get better value from its products. Specifically they said the League should:

- Think and plan more strategically.
- utilize themes to define topics.
- care more about the process.
- strive for breakthrough thinking.
- use technology as an enhancement.
- collaborate more.
- advocate and promote.

Independent-minded voters, less civic involvement, a new political landscape and changing local leadership present a radically new environment for the League.

Kent Eklund described the work of his committee that looked at the past, current and future mix of League revenue sources. They concluded that the ferment in corporate contributions was likely to continue and that the current level of this source would continue to decline. They also were skeptical that individual support would grow fast enough to fill the gap. They recommended a three-part diversification strategy that depends largely from continued support of the community. Specifically, they suggested:

- A two-part foundation strategy focused on local place-based foundations and on national foundations that are interested in larger implications of our regional work.
- Renew emphasis on building the League's endowment fund.
- Continue to pursue contract opportunities for League research work.

After the context setting presentations, each table discussed a series of questions. Here's a sampling of the questions and some selected member feedback:

What should/does the League do for you?

- It keeps people informed on issues through its reports and newsletters.
- It develops civil consciousness in individual members.
- It needs to broaden topic selection to attract more members.

What are the most important issues in the community?

- Creating a sense of civic engagement and community involvement.
- Maintaining prosperity in the new economy.
- The demographic challenges of an aging population and greater diversity.
- The widening gap between rich and poor and the "technology" gap.
- Public service design - who does what and who pays for it?

What are the challenges and opportunities for League revenue sources?

- Charge for information and products.
- Payroll deduction, community fund participation.
- Solicit government support and more project partnerships.

How should the League achieve greater diversity in

its approach to problem-solving?

- Partner with education institutions and minority/ethnic organizations.
- Make study committees more convenient for young people, especially with increased use of technology.
- Use the topic selection process to engage new people.
- Sponsor different topics in different regions of the state.

How should the League engage citizens in these changing times?

- Take CL studies into the neighborhoods and do focus group studies.
- Video Lyle Wray's presentations and distribute to schools.
- Find ways to utilize retiree's as volunteers.
- Post committee minutes on the web and invite comments.
- Study the right issues.
- Get pro bono help from a PR firm.
- Use cable access or internet to disseminate to a wider audience.

The League's Board of Director will use the information garnered at the meeting as the starting point at its annual retreat on Tuesday, October 24, 2000. Additional comments will also be summarized for the retreat.

Tell us what you think!

A complete summary of the annual meeting and responses to the questions can be found on the League's web site. Take a look and then tell us what you think.

www.citizensleague.net