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Land of Sky Blue Waters. The Minnesota Pollution Control Agency reports that of Minnesota's 54 million acres, cultivated land makes up about 50 percent, followed by 25 percent in forests, 17 percent in lakes, streams and wetlands; and about three percent in cities, suburbs and rural residential development.

—Lyle Wray

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School districts vary on adopting state standards

by John Kostouros

One would be hard pressed to accuse Minnesota of rushing into setting education standards for public school students. The state has been through 10 years of false starts, fractious debates and readjustments trying to devise a system for ensuring that all high school graduates have a common base of knowledge and skills. The task has been complicated by Minnesota's historical preference for local control over curriculum and instruction.

Minnesota has never been close to following the path chosen by many states of imposing a state curriculum on schools. Instead, Minnesota created standardized tests for basic skills in reading, math and writing that all students must pass, preferably in eighth grade, and a detailed list of what graduates should know and be able to do beyond the basics, called the Profile of Learning. A separate set of standardized tests, the Minnesota Comprehensive Assessments, are given in the lower grades and are supposed to be used as a guide for educators and families when evaluating student progress.

It left it up to schools to decide how to teach students the knowledge required in the Profile and how to assess whether they had learned it. It created a sampling of lesson plans for the new learning standards, called "performance packages," to help educators see how the process was supposed to work and to give teachers a head start on creating the new lesson plans they were sure to need. And it mandated that beginning with the class of 2002, students should successfully complete 24 of the 48 standards on its list.

Problems arose almost immediately, however, when the suggested packages were perceived as mandated, rather than voluntary—a reflection, no doubt, of the heightened sensitivity Minnesota educators have to any attempt to cre-

ate a state curriculum. It didn't help that many principals and superintendents told their teachers that the sample performance packages were required.

It was in this context that educators were told last June that the Legislature had once again changed course on the Grad Standards, as they're called around the state. To break a legislative stalemate that had lasted through two sessions, legislators backpedaled, agreeing that from now on, the Profile of Learning would no longer be required for graduation. Districts would be free to decide how many, if any, of the 48 recommended Profile of Learning content standards would be required to graduate. After almost 10 years of wrangling, Minnesota was back to each school district setting its own graduation requirements.

Districts would still have to ensure that all 48 of the Profile content standards were offered in the district and would be required to "progress toward full implementation of the Profile, ultimately requiring 24 standards for graduates," according to the Department of Families, Children and Learning (CFL). But no date was set for full implementation, leaving districts free to require as few standards as they wished for graduation.

The decision process involved the district's licensed teachers and administrators and the local school board separately voting on how many content standards to require. If the two could not agree, a default of all 24 of the previously mandated Profile standards would be imposed. Districts must take a new vote on the content standards each year and report their decision to CFL.

Districts had until August 15 to tell the state how many content standards they would require

Poll finds traffic congestion region's biggest problem

by David O'Hara

Traffic congestion is the chief problem facing the Twin Cities metropolitan area, according to Metropolitan State University's annual Civic Confidence Survey of Twin Cities metropolitan area residents.

Thirty-one percent of area residents cited traffic congestion and seven percent the related problem of urban sprawl. This continues a trend since the survey's inception in 1996: the perception of crime as the chief problem has dropped dramatically over the years, while the perception of traffic and transportation as the chief problem has grown, especially in the last two years. Last year traffic and urban sprawl combined to surpass crime as the region's number one problem. This year traffic congestion alone exceeded crime. As the accompanying table shows, crime, mentioned by 15 percent of Twin Citians, is still a widespread concern, but residents see traffic and transportation as the biggest challenge for policymakers. The related issue of urban sprawl has also grown in importance.

Lack of affordable housing continues to grow as an issue. Only one percent named this problem in 1998; this year over six percent mentioned this issue.

Light rail

The survey found mixed support for light-rail transit. Construction of more roads was the most popular choice for reducing traffic congestion, (36 percent of respondents), followed by construction of

a light-rail network (29 percent), improved bus service (19 percent), increased use of car-pool lanes (13 percent) and toll roads or other pay-as-you-go systems (three percent). In 1998 the same question brought much different results: Light rail was the most popular choice (44 percent) and construction of more roads was second (25 percent).

Sixty-two percent of area residents said they were unlikely to use the planned light-rail line from downtown Minneapolis to the airport, while 16 percent were likely to use it. Residents identified the most important factor that would influence their decision to switch to using light rail was convenience and accessibility (58 percent of respondents). Twenty-three percent said they would never use light rail. Basically, there is a relatively small group of people willing to use light rail, provided it will conveniently take them to work and back and that they do not have to pay too much per trip.

Since the first light-rail line is planned for Minneapolis, it is not surprising that Minneapolis residents appear far more likely to use light rail. Fifty-one percent of Minneapolis residents said they would be likely or somewhat likely to use the planned Hiawatha Avenue light-rail line, compared to 22 percent of St. Paul and suburban residents.

Education

Consistent with the past two years, most Twin Citians are happy with their

local school districts and have a great deal of confidence in them. Seventy-one percent are either satisfied or somewhat satisfied with quality of services provided, while 79 percent have either a lot or some confidence in their public school system. Interestingly, schools were again the only levels of government that a significant number of residents, 35 percent, believed did not provide enough services.

However, residents of Minneapolis have a more negative view of their local districts than do St. Paul and suburban residents. Twenty-seven percent of Minneapolis residents have no confidence or not very much confidence in their local schools, compared to only 19 to 20 percent of St. Paul and suburban residents.

And 48 percent of Minneapolis residents are either dissatisfied or somewhat dissatisfied with the quality of services provided by their local school district, compared to 31 percent of St. Paul residents and 24 percent of suburban residents.

Trust in government

Twin Citians are more trusting of local governments than of federal and state governments. When asked which level of government Twin Citians trust to do what is right most often, almost 57 percent said local government, 31 percent said state government and 12 percent replied federal government.

Metro residents hold public employees in reasonably high regard. Sixty-eight percent think they do as good a job as other Twin Cities employees and nine percent think they perform better. And a majority (65 percent) of the region's residents agree that government officials are responsive to their needs.

The perception of the honesty of elected officials continues to rebound from 1998's decline, surpassing previous levels. Sixty-one percent believe elected officials are as honest or more honest than average Minnesotans, while 39 percent believe elected officials are either less honest or actually dishonest. In 1998, perhaps due to the Clinton sex scandal, only 50 percent believed they were as honest or more honest than average Minnesotans.

Poll continued on page 6

Viewpoint From the Executive Director

Twin Cities metropolitan poll: From opinion to action

by Lyle Wray

Metro State University's annual Civic Confidence Survey of metropolitan-area residents (see story on page two) offers a snapshot of those issues currently at the top of the public mind. Public opinion is one important starting point for figuring out what actions we need to take to keep our region economically and socially vibrant. But first, here are a few observations from the poll.

Civic engagement. According to this year's poll, five percent of citizens considered themselves to be involved in civic activities. This is down from previous years, which ranged from 12 to 17 percent. Perhaps Minnesotans are not as immune to national trends in declining civic involvement as we might like to believe. Clearly a priority for organizations like the Citizens League has to be reaching out to new generations to find issues of interest and ways of engagement. Working to engage youth and new Americans in the Citizens League is a continuing priority.

Political alignment. In 1996, 20 percent of metropolitan residents identified themselves as politically independent. This number doubled to 42 percent this year. This change in political alignment,

along with the redistricting that will follow the 2000 Census, may herald a major shift in Minnesota politics over the coming decade. Increasing suburban control of the Legislature and a much more independent-minded electorate could significantly change our political landscape.

Education. Forty-eight percent of Minneapolis residents were either dissatisfied or somewhat dissatisfied with the quality of school services provided by their local district. The fact that only 40 percent of Minneapolis ninth graders complete high school in four years may be another indicator of the need for major change. A new Citizens League study will examine ways to dramatically increase school completion rates in the two core city districts. We need an educated and skilled workforce to do well in the future and improving school completion rates is one important building block in securing that future.

Technology and government. A total of 64 percent of residents report that they favor or somewhat favor video monitoring of intersections and car-pool lanes to ticket people for violations. It will be interesting to see how the use of such technology plays out against other values in the coming years. In terms of Internet use, 24 percent of those asked use the Internet frequently or somewhat frequently to access information provided by government agencies. In the future, the web is likely to become an even more important channel of communication to and from the public.

Transit. The poll found that the number one choice for reducing congestion on freeways was building more roads (36 percent), followed by light-rail transit (29 percent) and improved bus service (19 percent). This finding suggests the need for more public education on the nature and number of trips in our region. Of the 12.2 million trips per day projected for the year 2020, 11.6 million will be by car or truck, 500,000 by bus, and 48,000 by light rail. Buses will be 10 times as important as the much more expensive rail system.

From polls to action. Poll results, such as these, can be a good starting point for asking more questions. For example, what role does the media play in framing public opinion in the Twin Cities? Do the shifts in public opinion, reported in this poll, reflect individual Twin Citians' thoughtful decisions about issues or just the increased coverage given to certain topics by the media? Are we measuring real changes in public ideas or just the effectiveness with which certain advocates deliver their message-of-the-day? For instance, what should we make of regional differences in support for light-rail transit, given the differing positions taken on the issue by the region's two major newspapers? Similarly, has the public's increasing concern about "sprawl" and congestion driven increased media attention to the subject or vice versa?

Furthermore, and perhaps more importantly, how can we move beyond immediate poll results and constructively engage citizens in the policy process? Opinion researcher Daniel Yankelovich has identified seven stages of public opinion:

- 1) Dawning awareness;
- 2) Greater urgency;
- 3) Discovering the choices;
- 4) Wishful thinking;
- 5) Weighing the choices;
- 6) Taking a stand intellectually; and
- 7) Making a responsible judgment morally and emotionally.

Polling generally indicates stages one and two. The heavy lifting in policymaking comes in the final five steps. The Civic Confidence poll provides good information that responsible policy leaders, including the Citizens League, can use to help the community frame the issues, work through the difficult middle stages, and then decide on a responsible course of action and get it done. **MJ**

Lyle Wray is executive director of the Citizens League.

In your opinion, what is the chief problem facing the Twin Cities metropolitan area? (open-ended)

	1996 Valid Percent	1997 Valid Percent	1998 Valid Percent	1999 Valid Percent	2000 Valid Percent
Crime	71.7	41.6	45.9	27.1	14.8
Traffic/Transportation	8.3	10.2	9.8	24.2	31.2
Urban Sprawl	--	4.8	5.8	9.1	7.2
Education	4.2	5.8	6.2	6.7	8.0
Taxes	3.1	7.4	4.6	6.3	5.0
Affordable Housing	--	--	1.0	5.5	6.2
Government	2.9	5.6	6.6	3.8	5.2

Source: Metropolitan State University Civic Confidence Surveys

this year and for each year through 2010, and which students would be exempted from the requirements. Shortly before this deadline, the move to state standards was further complicated when CFL revealed the company hired to run the state's basic skills testing had incorrectly scored thousands of the basic skills math tests.

The state released a report September 1 that summarized how districts voted this first year.

Just over half of the state's 332 districts with high schools voted to follow the previous mandate and require completion of 24 content standards for graduation, beginning with this fall's entering freshman class. Another one-third will require between 13 and 23 standards.

However, 84 percent of districts said they would grant waivers to all or some of their sophomores and juniors. Some will exempt all students; others only select students, such as those in special education or students just learning English.

State officials noted that districts have until October 15 to amend their decision, a nod to the fact that many districts didn't have time to work with their teachers on making a decision before school adjourned in early June.

Mary Lillesve, Manager of the Division of Curriculum and Instruction for the Department of Families, Children and Learning, and a key figure in implementation of the Profile, suspects that many of the districts that reported choosing 24 content standards did not have time to work with their teachers on a decision. She expects some of those districts to reduce the number required once the districts' teachers had time to express their views. Generally, when asked, teachers have wanted to slow down implementation.

Four districts will not require any standards of incoming freshmen: Hastings, Little Fork/Big Falls, Pillager and Sleepy Eye. Lillesve said the department checked with each district and was told by Hastings and Littlefork-Big Falls that "we're already doing this and we don't need it." Sleepy Eye said "they needed another year to embed the content standards in their curriculum," according to Lillesve.

Seven other districts will require only four content standards: Belgrade-Broten-Elrosa, Hayfield, Houston, Norman City,

Little Falls, Rosemount-Apple Valley-Eagan, and Winona.

Reasons varied for the different levels of implementation, said Lillesve. Some districts, like Winona, are undergoing large budget cuts and don't feel they can take on Profile implementation at the same time. Some said they needed more time to get the content standards embedded in the curriculum. Many districts chose a lower number of required standards because they don't have teachers who are prepared to teach some standards.

Minneapolis, which set the number of required standards at 12 for this fall's freshman class, 18 for next year's freshmen and 24 for classes thereafter, said it needs more time to develop assessments for all the content standards. St. Paul will require 17 standards of this year's freshmen, 20 of next year's and 24 of classes thereafter. Both St. Paul and Minneapolis exempted all their current sophomores and juniors from the standards.

Little Falls and Belgrade-Broten-Elrosa, which will require only four standards this year, will nudge that number up gradually until it hits 24 in 2009-2010.

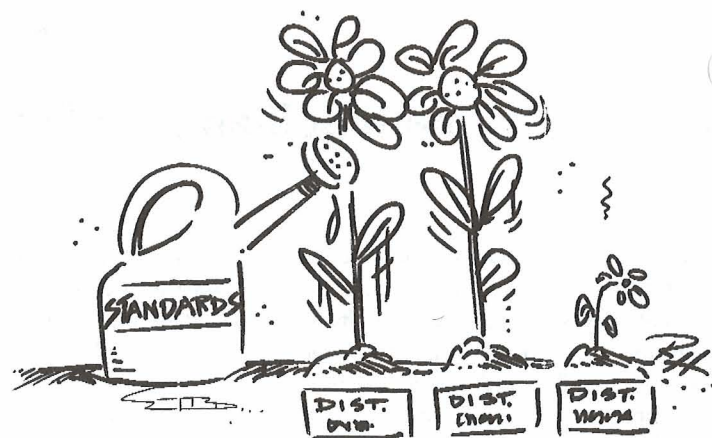
Hastings and Pillager, which won't require any standards this year, will also move the number of required standards up gradually until it hits 24 in 2009-2010.

Only a few districts, including Rosemount-Apple Valley-Eagan, Littlefork-Big Falls, Sleepy Eye and Winona, said they don't plan to require many standards now or in the future.

Of course, these plans could change by the October 15 final reporting date.

Lillesve says districts that don't develop required standards could risk losing federal aid, which requires districts to have set learning standards, and might face similar action at the Legislature.

In another change this year, districts will be allowed to convert as many as three classroom days for staff development to help educators prepare for implementa-



Profiles of Learning: Some will grow...some won't.

tion of the Profile. Many districts are planning to use the option. Rosemount-Apple Valley-Eagan, which will require only four standards this year, will convert two classroom days to staff development.

State officials appear optimistic about the trends they see emerging in standards implementation.

"The argument over whether we should have standards seems to be over," says Lillesve. "The past year the discussion has been mostly about how fast they should be implemented."

Bob Lowe, Associate Director of Management Services at the Minnesota School Boards Association, agrees, saying, "We're closer to full acceptance than ever before." **MJ**

John Kostouros (kostos@mtn.org) is a Minneapolis-based education consultant. The CFL summary report and results by district can be found through the Department of CFL web site at www.children.state.mn.us.

Entertaining transit

The New York Times "Business Traveler" column suggests the new rail transit line to Hollywood for executives with their families along in Los Angeles. It's a remarkably inexpensive, safe ride to the movie-studio museums, the column says. Entertainment is a significant use of the new urban rail transit.—Ted Kolderie

New League report calls for better-targeted property-tax relief

by Kris Lyndon Wilson

The Citizens League's latest policy report, *Assessing Minnesota's Property Tax: Improving Affordability for Homeowners*, was released August 22, after more than five months of work by the Property Tax Study Committee.

As part of the larger tax-reform effort of the Minnesota Department of Revenue, the committee examined the question of whether rising market values are yielding higher property-tax bills and considered ways to address property-tax affordability for owners of homestead and seasonal recreational properties whose tax bills exceed their ability-to-pay. The committee also studied Minnesota's assessment methods and appeals process.

Market values and property taxes

The market values of homestead and seasonal recreational property have been rising rapidly in recent years. But, the report found, property taxes have not been rising at anywhere near the same pace. For taxes payable in 2000, property taxes increased by just 3.3 percent for homesteads, while market values increased by 9.5 percent. Furthermore, taxes on seasonal recreational property were projected to decline by 1.4 percent, while market value grew by 11.9 percent.

Thus, increasing market values do not automatically yield higher property-tax bills. Increased local spending and shifting property-tax burdens from one type of taxpayer to another yield higher property taxes.

Based on these and other findings, the report concluded that the perception of market value increases driving property-tax bills beyond an owner's ability-to-pay does not warrant either broad reform or a complete overhaul of the existing system.

However, this is not to say that there aren't other problems with the property-tax system that do warrant broad reform. In fact, the committee found a significant need for additional relief targeted to those individuals whose property-tax bills consume an excessive percentage of their income.

Currently, only 10 percent of the state's property-tax relief is targeted to those most in need of assistance. At the same time, 14.5 percent of Minnesota homeowners pay more than five percent of their income in property taxes. This is more than twice the statewide average of

2.3 percent of income.

In order to reduce the number of taxpayers devoting more than five percent of their income to property taxes, the report recommends that the state eliminate the cap on property-tax refunds for homeowners. This refund is targeted to low- and moderate-income homeowners whose property-tax bills are high relative to their income.

For most income ranges the maximum refund is currently \$500; approximately 34 percent of refund recipients are bumping up against this ceiling. Eliminating the cap will increase the cost of the program by approximately \$43.3 million, from \$78.8 to \$122.1 million annually. In return, property taxes will fall below an average of five percent for all income categories, with the most significant benefit befalling homeowners with incomes under \$10,000.

Limited market value

One of the reforms the committee rejected was further limiting market values. The state currently limits increases in taxable market value to no more than 8.5 percent in any one year. There are calls to reduce that limit to five percent or the consumer price index, whichever is less. But there are numerous flaws with such policies.

Artificially limiting market values fails to target relief to those most in need of assistance, provides no guarantee that tax bills won't increase as a result of changes in the tax rate and results in an unfair shifting of tax burdens. Therefore, the report recommends allowing the current limited market-value law to sunset in 2002, as scheduled, and not enacting any additional limited market-value provisions.

The report also recommends opening up the property-tax deferral program, which allows senior citizens with incomes under \$60,000 to defer a portion of their property taxes, to homestead property owners of all ages. It also calls for eliminating the additional property-tax refund, which is available to homeowners of all incomes whose taxes increase more than 12 percent in any one year.

Assessment and appeals

The report highlights several findings that result in a strongly shared concern that Minnesota's property assessments are lacking the uniformity and consistency

crucial to a fair system. Statistical tools used by the Minnesota Department of Revenue to measure the accuracy and uniformity of assessments suggest a disturbing lack of uniformity in residential assessments. In 1999, 23 counties fell into the unacceptable range on the uniformity measure, as did 25 in 1998.

The Minnesota Legislature, the Department of Revenue, local assessors and local officeholders all need to carry out more open and regular reviews of assessment practices and outcomes. The report recommends that the Legislature conduct formal, biennial reviews of the state's assessment practices and outcomes and that the Department of Revenue step up its oversight of local assessment practices and outcomes, with a specific focus on improving the uniformity of assessments.

The report also calls for more thorough collection of data related to property-tax appeals and the increased use of independent citizen boards of review and equalization.

Summary

In the end, the report clearly points to generous and targeted tax refunds, based on the percentage of income consumed by property taxes, as the best policy for addressing tax affordability. The committee felt strongly that property-tax relief should be targeted directly to those low- and moderate-income taxpayers whose property-tax bills consume an excessive percentage of their income. It is equally clear in its rejection of policies, such as limited market value, that distort the market-value base.

However, this is not to be interpreted as a resounding endorsement of basing the property tax on market values. More accurately, it is a reflection of the current lack of well-developed alternatives that would improve both the fairness and simplicity of the tax. **MJ**

Kris Lyndon Wilson (klyndon@citizensleague.net), a research associate with the Citizens League, staffed the property-tax report. Copies of the report are available online at www.citizensleague.net or by calling the League at 612-338-0791.

Satisfaction with performance

When asked about the quality of services provided by governments, 77 percent of metro area residents said they were satisfied or somewhat satisfied with city government, 84 percent with county government, 78 percent with state government and 70 percent with federal services.

Twin Cities' public services continue to earn high marks. Libraries, parks garbage/recycling and 911 service had the highest approval ratings, with 96 percent of residents either fully or somewhat satisfied with those services. Even road repair, that annual curse of Minnesota's summers, along with snow plowing, receives full or somewhat satisfied ratings from 85 percent of the region's residents.

Satisfaction with administration of welfare programs was consistent with 1999 at 69 percent. Satisfaction has increased every other year since the survey's inception, from 52 percent in 1996.

In terms of quantity of services, 76 percent thought their city government provided the right amount of services, while 14 percent said there were not enough and 11 percent said there were too many. Sixty-seven percent said their county government provided the right amount of services, 16 percent said not enough and 18 percent too many. Fifty-two percent said their local school district provided enough services, while 35 percent said not enough and 13 percent said too many.

Crime

The proportion of citizens fearful of crime has declined for the fifth consecutive year. When asked if there is an area within one mile of their home where they would be afraid to walk at night, 35 percent said yes, compared to 37 percent in 1999, 41 percent in 1998, 42 percent in

1997 and 52 percent in 1996.

Women are more concerned with crime than men. Twenty-one percent of women said it was the region's biggest problem, compared to 12 percent of men. Fear of crime shows an even more significant difference: 47 percent of women say there are places within one mile of their home where they would be afraid to walk at night, compared to only 20 percent of men. This is consistent with the 1999 survey.

Despite their worries about crime, 91 percent of the area's citizens felt law enforcement agencies were doing a satisfactory or somewhat satisfactory job. They also believed local police were honest. Seventy-seven percent felt their local police would not lie or break the law in order to arrest someone. Again, this is consistent with the 1999 survey.

Minneapolis residents are less trusting of the honesty of their police than residents of St. Paul and the suburbs. Sixty-three percent of Minneapolitans surveyed thought their police would not lie or break the law in order to arrest somebody, compared to 72 percent in St. Paul and 81 percent in the suburbs. Fear of crime was greatest in Minneapolis and St. Paul.

Economy

Fifty-eight percent of Twin Citians said the region was headed in the right direction, compared with 56 percent last year and 52 percent two years ago. People continue to feel confident about the area's economic future. Fifty percent said the area's strong economy is improving, slightly less than last year's 54 percent and 1998's 52 percent. Only nine percent say the economy is getting worse, while 41 percent say it is staying the same.

The poll also shows Twin Citians are satisfied with their current economic situation and confident about the future.

Eighty-seven percent say they are either satisfied or somewhat satisfied with their own financial situation, an increase from 78 percent in 1998 and 83 percent in 1999.

When asked if they would be better off in three to five years, 84 percent said they were confident or somewhat

confident they would be, approximately the same as last year's 82 percent. Also, fewer people this year than last have cut back their spending due to uncertainties in the economy.

Personal civic involvement

Only five percent of the region's residents consider themselves active in civic activities. This represents a significant decline from previous years, when this figure was in the range of 12 percent to 17 percent. Fifteen percent said they were somewhat active; 25 percent said they were not very active, while 54 percent said they were not active at all.

Almost half of the region's residents, 47 percent, said they had never contacted an elected official; 18 percent said they seldom contacted one; 21 percent said they contacted officials somewhat often, while 14 percent said they often contacted officials.

Internet access to government

A question new to this year's survey asked people how frequently they used the Internet to access information provided by government agencies in the past year: 48 percent had not used the Internet for this purpose, 28 percent said somewhat infrequently, 16 percent said somewhat frequently and eight percent said frequently.

Growth of independents

One sweeping change in 2000 from previous years is in the percentage of people categorizing themselves as independents, rather than Democrats or Republicans. From 1996 through 1999, roughly 20 percent of residents listed themselves as independents. In 2000 this doubled to 42 percent. **MJ**

David O'Hara is associate professor of economics at Metropolitan State University. He directs the Metro State Civic Confidence Survey. The survey was conducted by telephone May 4 to June 2, 2000, with 500 randomly selected adults in the seven-county Twin Cities metropolitan area. The margin of error is 4.5 percent or less for results based on all interviews in the poll. Margins of sampling error for smaller groups in the poll are larger. O'Hara can be reached at 612-341-7674 or by e-mail at david.ohara@metroststate.edu. Copies of the executive summary of the survey are available by contacting Kim Carlson at 612-341-7639 or by e-mail at kim_carlson@metroststate.edu.



"Since I haven't been mugged so far this year, ... I have to say traffic is the biggest problem!"

Affordable housing: It's the right thing, the smart thing for business

by John F. Grundhofer

Despite numerous signs of vitality and growth, one of the most reliable indicators of the Twin Cities' social and economic health is flashing red: affordable housing. Housing costs for thousands of lower income households are so high that many must cut back on food, clothing, medical care or childcare. So great is the fundamental need for shelter that it has emerged as perhaps the single more important issue in our communities.

The plight of our neighbors moved us to turn our recent celebration of the new U.S. Bancorp corporate headquarters on Nicollet Mall into a fundraiser for affordable housing. While we are delighted to continue to make Minneapolis our home, we believe more must be done for those who cannot afford to rent or own one of their own.

We applaud the efforts of city, state and federal officials, but the problem is too large for publicly funded efforts alone. A solution will require the resourcefulness and leadership of the business community. For businesses, supporting affordable housing is not only the right thing to do, but it's also the smart thing.

Successful companies help ensure they have a strong workforce to draw upon to fill jobs. Many for whom affordable housing remains elusive are lower-wage workers—receptionists, clerks, medical assistants or restaurant cooks—who are the backbone of our economy. If affordable housing is unavailable nearby, jobs remain open, productivity suffers and the health and vitality of our community is weakened.

According to the U.S. government, households should not spend more than 30 percent of their annual income on housing. Any more often leads to cutting necessities, such as food or medical care. An estimated 185,000 Twin Cities households earning less than \$30,000 annually spend more than 30 percent of their income for shelter. Almost 50,000 households earning less than \$20,000 per year spend more than half of their income on housing.

There is no easy solution. But we believe that when businesses do what they do best, and partner with local government and strong community groups, great things can happen. At U.S. Bank, we learned this early through our own efforts to strengthen

Minneapolis and St. Paul neighborhoods by increasing homeowner-ship.

Traditional mortgages don't work in many low-income neighborhoods because they do not cover the cost of the renovations often required to bring a house up to code. And many first-time homebuyers lack the personal finance skills needed to manage mortgage payments.

We turned to our community partners to create a solution. U.S. Bank designed a unique mortgage product to cover both the home purchase and rehabilitation and provide a break on the down payment and closing costs. Our partners, such as Northside Neighborhood Housing Services, Association of Community Organizations for Reform Now (ACORN) and Powderhorn Residents Group (PRG), identify potential homeowners and provide counseling about budgeting, cash flow and home maintenance.

Since 1992, our Home Advantage program has helped thousands of families become homeowners. So much more could be accomplished if affordable housing became a stronger focal point for the business community. We ask business leaders to consider three opportunities: charitable giving, leadership and volunteerism.

▲ **Charitable giving.** While the Twin Cities is home to some of the nation's most generous corporations, only 20 percent of the metro region's 251 companies with 500 or more employees commit two percent or more of their earnings to charity as part of the Keystone Program. Even two-percent givers should remember that unless the basic need for affordable housing is met, we cannot meet other community objectives.

▲ **Leadership.** One of the most powerful things companies can contribute is leadership. Let's encourage our executives to join the boards of local nonprofit organizations dedicated to housing. Let's reach



"...This is a first for me—on a 2 BR home,...a closing attended by 3 multi-million dollar corporations!"

out to public housing agencies to find out how our expertise is needed. Our collective knowledge, energy and varied talents can lead to creative solutions.

▲ **Volunteerism.** Companies have the unique ability to mobilize large numbers of people in support of a worthy cause. We should make affordable housing a rallying point in our companies. Encourage employees to get involved personally or through company-sponsored programs.

The affordable housing crisis touches us all. It's about housing the workforce needed for a strong economy, it's about creating stable neighborhoods, and it's about ensuring everyone has a safe and affordable place to live. Realizing this dream will require a higher level of commitment from both the public and private sectors. Most of all, it will take all of us working together. **MJ**

John F. Grundhofer is U.S. Bancorp Chairman and CEO.

Editor's note:

The "On Balance" roundup of editorial opinions from around the state will not appear this month because of space constraints. It will return in October.

TakeNote

Policy Tidbits

"We must not be misled to our own detriment to assume that the untried machine can displace the proved and tried horse."—J.K. Herr

Minnesota has a real winner with its charter-schools sector of public education.

The Ford Foundation will (almost certainly) recognize the 1991 law this year as one of the important innovations in American government—not creating the schools, but creating the opportunity for teachers and others to start these new public schools.

And now the Bill & Melinda Gates Foundation has recognized what some of the teachers and others in Minnesota have done to take advantage of the opportunity offered by the law. It has invested \$4.5 million to replicate the school model developed by teachers in the charter school sponsored by the LeSueur-Henderson district. The school has no courses or classes and no employees: A professional partnership of teachers designs and runs the learning program on contract to the school.

Not every school in this new R&D sector of Minnesota public education is a winner. Success Academy was a spectacular failure. But the New Country School at Henderson is arguably, learning program and governance both considered, the most innovative public school in America.

Gov. Ventura acknowledged this breakthrough—the combination of innovative policy and innovative schools—in his remarks to the meeting of the Education Commission of the States in Minneapolis in July. Lt. Gov. Mae Schunk joined in a discussion Sept. 8 with Tom Vander Ark of the Gates Foundation in Saint Paul.—*Ted Kolderie.*

Hugh Price, president of the National Urban League, called again to convert all city schools to charter schools, according to the July 27 *USA Today*. Schools would have 10- to 15-year charters with clear performance standards, principals would set student standards and hire and fire teachers, after scrapping present limitations, and Congress would fund teachers' salaries to a starting level of \$27,000.—*Lyle Wray.*

According to a new report from the National Conference of State Legislatures, the Minnesota Legislature is not alone in its tax-cutting fervor—but it is a leader of the pack. Of the 17 states that cut taxes in fiscal year 2000, Minnesota had the second-largest cut, with an 8.3 percent drop in revenue collections. Hawaii had the largest reduction,

with an 8.4 drop, and Washington was third at 6.9 percent. On the other end of the spectrum, Louisiana, Oklahoma and Alabama all approved significant tax increases.

Nor are we alone in the surplus pile-up. "Thirty-six states ended fiscal year 2000 with budget surpluses greater than five percent of their annual budget," according to a report at stateline.org, and "18 had budget surpluses exceeding 10 percent."—*Kris Lyndon Wilson.*

The Family Housing Fund will soon provide more ammunition to affordable-housing advocates. The Fund is about to complete research on the impact of affordable housing on surrounding properties. A series of facts, including the value of homes in surrounding neighborhoods and the time it takes to sell properties when they are put on the market is being considered. Preliminary results indicate there is no negative impact.
—*Marina Munoz Lyon.*

The recent round of announcements that HMOs would end their Medicare plans in certain areas or completely was like *deja vu* all over again for Minnesotans. In the late 1980s, HMOs went into those plans in a big way. They soon lost their shirts and many got out.

Although Medicare managed-care plans have been in a steady decline in Minnesota for the past decade, one plan is actually growing. UCare Minnesota passed the 15,000-enrollee mark this summer for its Medicare+Choice plan and is now the second largest Medicare plan in the state. That's a 50 percent increase since the beginning of 2000.

Earlier this year, UCare passed Medica on that plan's way down. Medica will terminate its plan at the end of the year. That leaves HealthPartners barely holding onto first

place, with the 18,000 seniors it has enrolled in its Medicare plan since 1995.

About 48,000 seniors are currently in Medicare+Choice plans, or about 10 percent of the senior population. In the late 1980s, nearly three times that number of seniors was in HMO plans.—*Allan Baumgarten.*

In a report by the Trust for Public Land and Urban Land Institute, Minneapolis was one of only three of the 25 largest cities to earn a four of five-star rating, according to the Aug. 10 *USA Today*. None received five stars.—*L.W.*

Joe Graba thought it was wonderful. At a meeting in Two Harbors a school board member came up to him and said, "Joe, I was in your science class in Wadena in 1965 when you made us learn the formula for photosynthesis. The other day, 35 years later, I finally had to put it to use when my son asked, 'Dad, do you know anything about photosynthesis?'"

Graba, until recently the dean of the Graduate School of Education at Hamline University, thinks we're in the process of redefining knowledge. It won't be what kids know, any more. It'll be what they understand—and how they can apply that understanding.

He told the Minnesota Rural Education Association last month something he heard Ernest Boyer quote: "I hear and I forget; I see and I remember; I do and I understand."—*T.K.*

Contributors to "Take Note" include Minnesota Journal and Citizens League staff members and Allan Baumgarten, a health-care policy and finance analyst and consultant, and Marina Munoz Lyon, vice president of the Pohlman Family Foundation.

The Minnesota Journal
Citizens League
708 S. Third Street, Suite 500
Minneapolis, MN 55415

PERIODICALS
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AT MINNEAPOLIS
MINNESOTA

Welcome

New and returning members

Andrea Ayres
William Barnhart
Douglas E. Berg
Patrick J. Boylan
Lynne Dale
David Doth
James Gambone
Mary Hanson
Rodger Lundblad
Mark Reidell
Letha Wilson-Barnard

Thanks for fiscal year-end support

More than 100 League members contributed \$15,450 in response to the League's annual year-end fund drive. While that was short of the League's goal of \$20,000, it was still enough to ensure another fiscal year surplus for the operating fund.

CITIZENS LEAGUE

708 South 3rd St. Suite 500
Minneapolis, MN 55415
612-338-0791 Fax 612-337-5919
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.

www.citizensleague.net

Matthew Ramadan elected League President

Matthew Ramadan was elected president of the Citizens League at the League Board meeting on August 30.

"I am honored to have the opportunity to lead an organization like the Citizens League," Ramadan told the Board. "As president, I will work to ensure that the League continues to generate the good ideas that make our region a better place to live."

Ramadan stressed the importance of implementing League recommendations and finding new ways to attract and retain members. "Our strength has been our ability to involve average citizens from all walks of life in developing innovative solutions to the challenges that confront us as a community. We need to continue to work to ensure that we focus on making policy, not just producing reports."

Ramadan takes over the leadership of the League from **George Latimer**, who has served as President since September of 1998. "Matthew's strong ties to the community and his long history of service make him an excellent choice to lead the Citizens League," Latimer remarked.

A native of north Minneapolis, Ramadan is currently the Executive Director of the Northside Residents Redevelopment Council. Since 1999, he has also repre-

sented Minneapolis on the Metropolitan Council.

In addition to the Citizens League, Ramadan has served on the boards of a number of community organizations, including the Minneapolis



Matthew Ramadan

Foundation, Twin Cities RISE!, Turning Point, the Minneapolis Consortium of Community Developers and the Minnesota Partnership for Action Against Tobacco.

Ramadan has been a member of the Muslim American Society since 1974, serving as an imam since 1978. He is a founding member of Masjid An-Nur/Islamic Centers of

Minneapolis and Saint Paul and the president of the Minnesota Chapter of the American Muslim Council. He has also been a leader in crime and substance abuse prevention efforts, including the founding of the local chapter of African American Men Against Narcotics (AAMAN), along with numerous youth intervention programs.

In addition to electing Ramadan as president the Board appointed Gary Cunningham as Treasurer and appointed the following to one year terms:

Bill Diaz, Laurel Feddema, John Gunyou, Sean Kershaw, Tim Marx, Tony Morley, Pam Neary and Felix Ricco.

Tim Marx is new to the League Board and Sean Kershaw returns after a one year absence; the others are all returnees.

Good IDEAS for a Better PLACE

Citizens League 48th annual meeting

Thursday, September 21, 2000

4:30 - 7:00 p.m.

Lutheran Brotherhood Auditorium

625 Fourth Avenue South
Minneapolis, MN 55402

to register, call 612-338-0791

CITIZENS LEAGUE *in the news*

August was not a slow news month at the Citizens League. The release of the property tax study, done under contract for the Department of Revenue, generated a great deal of attention.

The report's release was covered by newspapers around the state, including the *Star Tribune*, *St. Paul Pioneer Press*, *St. Cloud Times*, *Marshall Independent*, and *Brainerd Daily Dispatch*. Stories about the report aired on Minnesota Public Radio, WCCO and Twin Cities Public Television. Co-chair Bill Kelly also spent an hour discussing the report on Minnesota Public Radio's Midday Program.

Use of the League web site exploded as a result of interest in the report. We recorded nearly 61,000 hits on the day the report was released

compared to 12,000 hits for the entire month last August.

In other news, Matthew Ramadan participated in a press conference announcing the finalists for the 2000 Innovations in American Government Competition. As mentioned last month two League innovations are among the 25 national finalists. Ramadan appeared on local television news and was quoted in both the *Star Tribune* and the *Pioneer Press*.

Finally, a Japanese film crew spent the better part of a day at the Citizens League offices filming a special report on charter schools. The reporters interviewed Ted Kolderie and filmed "action" shots of the League office. The news program will appear on Japanese television in November.

Thank you resource speakers

A successful Citizens League study committee depends on the cooperation of people in the community who have special expertise on a subject. One of the great attractions of the League study committee process for many of the participants is the graduate school quality of the "instruction" provided by resource guests. Thanks to the following for their assistance with the property tax project:

Karen Baker, House Research; **Glenn Dorfman**, Chief Operating Officer, MN Association of Realtors; **Gordon Folkman**, Minnesota Department of Revenue; **Marlowe Hamerston**, Minnesota Senior Federation; **Mark Haveman**, Minnesota Planning; **John James**, 1000 Friends of Minnesota; **Hal Lofgren**, Professor of Economics, St. Cloud State University; **Tom May**, Hennepin County Assessor; **Leonard Peterson**, Minnesota Department of Revenue; **Dan Salomone**, Executive Director, Minnesota Taxpayers Association; **Marty Schmidt**, Crow Wing County Assessor; **Dick Wray**, Minnesota Seasonal Recreational Property Owners Coalition; and **Jeff Van Wychen**, Property Tax Study Project.

Meetings to gather additional input from residents of Greater Minnesota were hosted by the Lifelong Learning Center at **Fergus Falls Community College** in Fergus Falls and the **Blandin Foundation** in Grand Rapids.

No time? Go on-line!

Three new League study committees are set to begin this fall. Many League members are interested in serving on these committees but just don't have the time. Don't let that stop you from participating.

If you have access to the internet you can follow League committees on the League's web site at www.citizensleague.net. Committee notices, minutes, briefing papers and other materials can be found on the web for each committee. We also encourage you to submit comments and questions to the committee.

If you're interested in a topic, but don't have the time to serve on a committee, just dial up www.citizensleague.net and join the fun.

Urban Studies at Macalester College

If you've ever perused post-secondary course catalogs you've probably had the inkling to go back to school. Not to stay up late doing papers or reading half the night, but just to be able to listen and absorb the rich intellectual content of some classes.

This fall Citizens League members have the chance to audit George Latimer's "Introduction to Urban Studies" class at Macalester College. The course, co-sponsored by Metropolitan State University, is designed to introduce students to critical topics in urban studies and will feature visiting expert lecturers. League members are invited to these lectures.

The class meets from 7 to 9 p.m. on Monday evenings. Most sessions are at the Weyerhaeuser chapel on the campus of Macalester College, 1600 Grand Avenue, St. Paul. Professor Latimer has assembled a terrific schedule of speakers. For a list of speakers or more information, please call Phil Jenni at the League office 612-338-0791 or email pjenni@citizensleague.net.

Thanks to the members of the residential property tax committee

The League released its contract study on residential property taxes on August 21. The study was conducted for the Department of Revenue as part of the Ventura administration's efforts to engage citizens in the "Big Plan." The committee was co-chaired by Mary Anderson and Bill Kelly. A total of 37 individuals took an active part in the work of the committee. In addition to the chairs, they were:

Gay Bakken	Jay Kiedrowski	Phil Ruggiero
David Black	Carolyn Kompelien	Jim Schneider
Allan Burdick	Clyde Miller	Robert Teetshorn
Ken Carlson	Barbara Nelson	Orlan Thorbeck
Calvin Clark	David Newhall	Gedney Tuttle
Tom Darling	Steve O'Malley	Laurie Davis Van Wert
Reginald Edwards	Mary Ogren	Kathleen Vellenga
Vernae Hasbargen	David Pence	Donn Waage
Hugh Hawkins	Mark Pridgeon	Norman Werner
Lincoln Hudson	Craig Rapp	Paul Zerby Sr.
Richard Johnson	Ken Reine	Jonette Zuercher
Suzanne Kennedy	Peter Ries Jr.	