

# The Civic Caucus

## Member Survey of November 2010

### Suggested priorities for the Governor and Legislature

Listed below are major ideas and proposals from our speakers in 2010 and from Civic Caucus reports. Members were asked to respond to each, rating their reaction from (0) “disagree strongly”, to (5) “neutral”, to (10) “agree strongly”. Following the rankings we report our participants' comments on the No. 1 action that should be by the 2011 Legislature.

<b>BUDGETING</b>	<b>(0) Disagree Strongly</b>	<b>(1-4) Disagree Moderately</b>	<b>(5) Neutral</b>	<b>(6-9) Agree Moderately</b>	<b>(10) Agree Strongly</b>	<b>Total No. Responses</b>	<b>Average Response</b>
1. Stop the practice of "deficit committing", which obligates the state to higher spending beyond the immediate budgeting biennium. ( <a href="http://bit.ly/c8qDCs">http://bit.ly/c8qDCs</a> )	0%	3%	19%	17%	60%	63	8.4
2. Establish outputs for performance from all state and local government departments and agencies. (Discussed in various interviews)	2%	2%	11%	46%	40%	63	8.1
3. Preserve decision-making by the Governor and Legislature by halting the practice of carving out and dedicating general fund dollars for single purposes. (Civic Caucus report: <a href="http://bit.ly/czVla6">http://bit.ly/czVla6</a> )	0%	3%	16%	37%	44%	63	8.1
4. Require state departments and agencies to spell out explicitly how proposed changes in services will meet defined needs of affected citizens. (Ron Johnson interview: <a href="http://bit.ly/9vkkjW">http://bit.ly/9vkkjW</a> )	5%	6%	14%	35%	40%	63	7.5

<b>CAMPAIGN FINANCE</b>	<b>(0) Disagree Strongly</b>	<b>(1-4) Disagree Moderately</b>	<b>(5) Neutral</b>	<b>(6-9) Agree Moderately</b>	<b>(10) Agree Strongly</b>	<b>Total No. Responses</b>	<b>Average Response</b>
Require advance shareholder approval for corporate campaign contributions. (Mike Dean interview: <a href="http://bit.ly/a51zLY">http://bit.ly/a51zLY</a> )	11%	13%	16%	23%	37%	62	6.5

<b>EDUCATION</b>	<b>(0) Disagree Strongly</b>	<b>(1-4) Disagree Moderately</b>	<b>(5) Neutral</b>	<b>(6-9) Agree Moderately</b>	<b>(10) Agree Strongly</b>	<b>Total No. Responses</b>	<b>Average Response</b>
1. Require the State Department of Education to invite charter school proposals that will fundamentally redesign the model of schools and how they use technology to personalize learning. (Wayne Jennings interview: <a href="http://bit.ly/99bOcp">http://bit.ly/99bOcp</a> )	3%	8%	10%	52%	27%	62	7.3
2. Phase out tenure for K-12 and post-secondary teachers. (Discussed in various interviews)	6%	10%	15%	29%	40%	62	7.3

<b>EDUCATION</b>	<b>(0) Disagree Strongly</b>	<b>(1-4) Disagree Moderately</b>	<b>(5) Neutral</b>	<b>(6-9) Agree Moderately</b>	<b>(10) Agree Strongly</b>	<b>Total No. Responses</b>	<b>Average Response</b>
(continued)							
3. Unleash K-12 teachers to try things they think will improve student learning, without first having to gain approval from administrators. (Kolderie-Graba interview: <a href="http://bit.ly/dcsf3W">http://bit.ly/dcsf3W</a> )	6%	8%	11%	45%	29%	62	7.1
4. Make tax credits available to early childhood providers who agree to be rated for effectiveness and for offering scholarships to low-income children. (Laurie Davis interview: <a href="http://bit.ly/dtAYbf">http://bit.ly/dtAYbf</a> )	6%	11%	16%	44%	22%	63	6.7
5. Reduce the number of public post-secondary institutions. (Discussed in various interviews)	6%	16%	21%	29%	27%	62	6.4
6. Place all public post-secondary institutions in the state into one system, merging the U of M system and the MNSCU system. (Discussed in various interviews)	7%	20%	15%	31%	28%	61	6.4
7. Increase state income-based grants for post-secondary students while reducing direct state appropriations to post-secondary public institutions. (Discussed in various interviews)	13%	20%	21%	34%	11%	61	5.4
8. Establish a state-run public online university to compete with private online universities. ( <a href="http://bit.ly/drqxQM">http://bit.ly/drqxQM</a> )	21%	15%	28%	25%	11%	61	4.8

<b>GOVERNMENT STRUCTURE</b>	<b>(0) Disagree Strongly</b>	<b>(1-4) Disagree Moderately</b>	<b>(5) Neutral</b>	<b>(6-9) Agree Moderately</b>	<b>(10) Agree Strongly</b>	<b>Total No. Responses</b>	<b>Average Response</b>
1. Place responsibility for legislative and congressional redistricting in the hands of a special commission. (Civic Caucus report: <a href="http://bit.ly/ad4sl8">http://bit.ly/ad4sl8</a> )	5%	3%	11%	24%	57%	63	8.2
2. Enact a merit-based system for selecting judges. (Civic Caucus report: <a href="http://bit.ly/9otf7H">http://bit.ly/9otf7H</a> )	7%	3%	15%	31%	44%	61	7.6
3. Set in motion a process, with deadlines, to reduce the number and levels of local government in Minnesota, while allowing people in various regions of the state to determine the exact nature of the outcome in their respective regions. (Discussed in various interviews)	5%	7%	21%	43%	25%	61	6.9
4. Create a state-level council on Minnesota strategy, representative of citizens statewide, to develop actionable strategies for a healthy state. (Paul Marquart interview: <a href="http://bit.ly/auypul">http://bit.ly/auypul</a> )	5%	10%	33%	35%	17%	63	6.4
5. Impose limits on the number of consecutive terms that legislators may serve. (Gene Merriam interview: <a href="http://bit.ly/bk1zMS">http://bit.ly/bk1zMS</a> )	21%	16%	16%	22%	25%	63	5.4

<b>GOVERNMENT STRUCTURE</b>	(0) Disagree Strongly	(1-4) Disagree Moderately	(5) Neutral	(6-9) Agree Moderately	(10) Agree Strongly	Total No. Responses	Average Response
6. Remove party designation for candidates for the Legislature. (Discussed in various interviews)	35%	15%	19%	10%	21%	62	4.1

<b>HEALTH</b>	(0) Disagree Strongly	(1-4) Disagree Moderately	(5) Neutral	(6-9) Agree Moderately	(10) Agree Strongly	Total No. Responses	Average Response
1. Replace fee-for-service in taxpayer-financed health plans with approaches that reward providers for keeping people healthy. Sanne Magnan interview: <a href="http://bit.ly/aGOIOe">http://bit.ly/aGOIOe</a> )	3%	6%	5%	38%	48%	63	8.1
2. Require that all state and local public employees in Minnesota be covered by tiered systems of health insurance that reward quality and cost control. (Dahl-Pechacek interview: <a href="http://bit.ly/ck01FF">http://bit.ly/ck01FF</a> )	3%	3%	15%	47%	32%	62	7.5

<b>HUMAN SERVICES</b>	(0) Disagree Strongly	(1-4) Disagree Moderately	(5) Neutral	(6-9) Agree Moderately	(10) Agree Strongly	Total No. Responses	Average Response
1. Establish a chartering agency to evaluate and approve new arrangements for caring for the developmentally disabled that offer more freedom and flexibility combined with outcome-based reimbursement. (Ember Reichgott interview: Oct. 29; not yet on website)	5%	5%	22%	52%	16%	63	6.8
2. Distribute proceeds from long-term care insurance directly to individuals to decide where and how care will be delivered, including in-home care. . (Dan Lindh interview: <a href="http://bit.ly/aeMSJe">http://bit.ly/aeMSJe</a> )	5%	8%	31%	47%	10%	62	6.3
3. Use mandatory long term care insurance, financed non-governmentally, to replace Medicaid for long-term care. (Dan Lindh interview: <a href="http://bit.ly/aeMSJe">http://bit.ly/aeMSJe</a> )	13%	17%	37%	29%	5%	63	4.9

<b>JOBS/ECOMONY</b>	(0) Disagree Strongly	(1-4) Disagree Moderately	(5) Neutral	(6-9) Agree Moderately	(10) Agree Strongly	Total No. Responses	Average Response
Develop a jobs strategy that treats all businesses equitably, not one that provides tax breaks for some and not others. (Mark Haveman interview: <a href="http://bit.ly/bhrjtC">http://bit.ly/bhrjtC</a> )	2%	3%	8%	51%	37%	63	8.0

<b>LOCAL GOVERNMENT</b>	(0) Disagree Strongly	(1-4) Disagree Moderately	(5) Neutral	(6-9) Agree Moderately	(10) Agree Strongly	Total No. Responses	Average Response
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<b>LOCAL GOVERNMENT</b>	<b>(0) Disagree Strongly</b>	<b>(1-4) Disagree Moderately</b>	<b>(5) Neutral</b>	<b>(6-9) Agree Moderately</b>	<b>(10) Agree Strongly</b>	<b>Total No. Responses</b>	<b>Average Response</b>
1. Require cities, counties and townships to redesign services to where economies of scale and reduction in duplication would save money and improve quality. (Paul Marquart interview: <a href="http://bit.ly/auypul">http://bit.ly/auypul</a> )	2%	2%	8%	41%	48%	63	8.5
2. Enable smaller cities to contract for all municipal services, similar to the approach taken by townhouse and condominium associations. (Bill Schreiber interview: <a href="http://bit.ly/cdl1CG">http://bit.ly/cdl1CG</a> )	0%	3%	10%	54%	33%	63	8.1

<b>PENSIONS &amp; EMPLOYMENT</b>	<b>(0) Disagree Strongly</b>	<b>(1-4) Disagree Moderately</b>	<b>(5) Neutral</b>	<b>(6-9) Agree Moderately</b>	<b>(10) Agree Strongly</b>	<b>Total No. Responses</b>	<b>Average Response</b>
1. Require all new state and local public employees except public safety employees to be covered by defined contribution, not defined benefit, retirement plans. (Donald Moe interview: <a href="http://bit.ly/cbhTRj">http://bit.ly/cbhTRj</a> )	8%	6%	11%	25%	49%	63	7.5
2. Offer variable compensation options to older public employees to increase the attractiveness of their continued employment beyond traditional retirement ages. (Jan Hively interview: <a href="http://bit.ly/9G8NBU">http://bit.ly/9G8NBU</a> )	5%	6%	10%	52%	27%	63	7.4

<b>TAXES</b>	<b>(0) Disagree Strongly</b>	<b>(1-4) Disagree Moderately</b>	<b>(5) Neutral</b>	<b>(6-9) Agree Moderately</b>	<b>(10) Agree Strongly</b>	<b>Total No. Responses</b>	<b>Average Response</b>
1. Broaden the state sales tax base; reduce the rate. (John James interview: <a href="http://bit.ly/alhtXG">http://bit.ly/alhtXG</a> )	6%	8%	8%	37%	41%	63	7.5
2. Increase the state income rate on highest income individuals (discussed in various interviews)	23%	11%	8%	27%	31%	62	5.9
3. Phase out local government aid (LGA), while providing more authority for these local governments to raise their own revenue. (John James interviews: <a href="http://bit.ly/alhtXG">http://bit.ly/alhtXG</a> )	13%	25%	21%	19%	22%	63	5.3
4. Eliminate the state corporate income tax. (Mark Haveman interview: <a href="http://bit.ly/bhrjtC">http://bit.ly/bhrjtC</a> )	27%	10%	22%	27%	14%	63	4.8
5. Expand gambling to provide revenue for a new professional football stadium. (Tom Horner interview: <a href="http://bit.ly/dAIWfw">http://bit.ly/dAIWfw</a> )	48%	22%	19%	6%	5%	63	2.4

<b>TRANSPORTATION</b>	<b>(0) Disagree Strongly</b>	<b>(1-4) Disagree Moderately</b>	<b>(5) Neutral</b>	<b>(6-9) Agree Moderately</b>	<b>(10) Agree Strongly</b>	<b>Total No. Responses</b>	<b>Average Response</b>
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<b>TRANSPORATION</b>	<b>(0) Disagree Strongly</b>	<b>(1-4) Disagree Moderately</b>	<b>(5) Neutral</b>	<b>(6-9) Agree Moderately</b>	<b>(10) Agree Strongly</b>	<b>Total No. Responses</b>	<b>Average Response</b>
1. Give greater emphasis to serving employment destinations in non-downtown locations. (Civic Caucus report: <a href="http://bit.ly/dpXqU3">http://bit.ly/dpXqU3</a> )	2%	8%	27%	51%	13%	63	6.6
2. Place responsibility for regional transportation policy in a state commission (Civic Caucus report: <a href="http://bit.ly/dpXqU3">http://bit.ly/dpXqU3</a> )	10%	16%	27%	35%	13%	63	5.8
3. Pay some of the capital expense for transportation by capturing a portion of windfall-increased values on nearby properties. (Civic Caucus report: <a href="http://bit.ly/dpXqU3">http://bit.ly/dpXqU3</a> )	10%	13%	29%	35%	13%	62	5.8

**Question 1:** To assure Minnesota's long-term prosperity what do you consider the most important action our Governor and Legislature should take in the 2011 session?

**Responses:**

**Paul J Wagner:**

Focus should be on creating a more business friendly state to breed jobs! Small business is the place to start improving our declining trend! Stop creating more government and start cutting programs. Minnesota continues to live off the glorious past, created by the last generation of risk takers. Professional politicians that lack an understanding of a risk / reward marketplace has us voting with our feet. Our elected legislators have rarely met a payroll from their past! Thank God for States rights. I will pray harder for the state I love!

**Steve Dahl:**

Define expected outcomes for government services - State, County, City, Higher Education, School District and Special Entities and then set budgets and measures for performance around those outcomes. Eliminate any and all services that don't align with the expected outcomes for government services.

**Joe Mansky:**

A long-term solution to state government financing is the most important issue facing the new governor and legislature. Many of our speakers have spoke of the need to broaden the sales tax and cut the tax rate. That would be the logical place to start.

**Donald Moe:**

Cut expenditures responsibly.

**Anonymous:**

Address rising health care costs through multiple means including: 1. Do not repeal provider peer grouping, i.e., measuring providers on quality/costs (value) which is due in 2011 by the Minnesota Department of Health. Do not repeal the provider encounter database that supports this initiative. Also do not repeal the use of provider peer grouping in the design of health plan products, uses by the state employee program or use by the Department of Human Services) to design payment models. 2. Redesign the disability program in DHS. 3. Address long term care costs in DHS. 4. Implement Transform 2010, which addresses the advancing age wave.

**Ember Reichgott Junge:**

Take the Medicaid money on January 15. Balance the budget by balancing some revenue increases with the obvious cuts that will occur.

**Babak Armajani:**

Undertake fundamental redesign of our delivery systems so that we can achieve better outcome even as we have less money to spend.

**Dan McElroy:**

Collaborate effectively to find meaningful long-term solutions. The process of "position based" discourse has to change to one of solution-oriented discourse. Use the Harvard negotiating model as a base. Conduct a one or two day training program on the Harvard model and mix House, Senate, and administration leaders in the program. The number one action we need is to change the process. Compromise can't be a dirty word if we are to succeed as a state. I would have liked to see more ideas on reducing the cost of health care. Things like greater transparency of prices, increased emphasis on healthy living and strategies to reduce administrative expenses should be discussed. Changing the forecast for state spending to take human service and health care programs off of "auto pilot" also need to be discussed. Revenues go up next biennium by more than inflation but that isn't being talked about. Can we run government with just a billion \$ increase in spending?

**Dan Loritz:**

Redesign the current tax structure to reduce the current major swings in state tax collection. This will provide a sound basis for the redesign of major state spending programs.

**Don Anderson:**

Learn to work together for the good of the whole State. Some of my 0 checks are because the proposal doesn't seem practical, given the society we live in. Since the public pays for Charter Schools we should eliminate the charter and replace it with public specialty schools that accomplish what a charter school is supposed to do. Rather than offer variable compensation options to older public employee, increase the retirement age, allowing retirement early if due to medical conditions. Use regional commissions on transportation policy under guidelines of the State.

**Don Fraser:**

Keep the government operating using a mix of temporary and permanent taxes, add funding for early childhood, and make cuts where vulnerable people are not hurt. Also develop a capacity to intervene with low performing schools (this is not a costly add-on). On some of these issues I have not developed a strong opinion.

**Lynn Gitelis:**

Commit to compromise instead of party rhetoric. Redesign government from top down ; "re-engineer" it. Invest in technology; it's pricey up front, but can result in huge savings long term. Go to flat tax across the board; everyone pays (including "entities") at the same rate

**J Corrigan:**

Creating an environment for increasing jobs: including revamping the way we provide government services, especially healthcare and education.

**Bob White:**

Revise education policy and organization, from natal to post-secondary, including varied forms of K-12 schools and fewer public higher-ed institutions.

**Ken Smart:**

Need a structural change in spending to bring spending down to a long-term sustainable rate that rises no faster than population/inflation growth.

**Dave Broden:**

1. Set a long-term vision of Minnesota that is actionable 2. Focus on Redesign that has strength of change that impacts outcomes and cost management. 3. Establish legislation that clearly states MN as state that seeks and will grow the economy and related jobs

**Virginia Rutter:**

Address the budget with LONG-TERM fixes vs. short-term accounting tricks and borrowing.

**Ray Ayotte:**

Develop a strategy to attract new businesses to Minnesota which will create jobs.

**W.D.(Bill) Hamm:**

This list of proposals is strongly "Metro" biased with very low consideration for local input. It is also very strongly "Progressive", (spelled "socialist") biased with the ultimate goal of undermining bottom up local government with "Top Down" socialist central planning. This movement and its momentum horribly attacks local control and input by the majority of our non-college grad population. As a rural voice who has stood in opposition to most of these so called new proposals, I find the Civic Caucus's overall anti-constitutional and anti-rural directions to be very disturbing and unrealistic.

**Dennis L. Johnson:**

Get the State budget under control and reduce debt by whatever means necessary. Move toward being an "opportunity" state rather than a "nanny" state. 1. Review compensation and benefits of all elected and appointed State employees to make sure they do not exceed compensation for equivalent private sector employees. 2. Make it illegal for public employees to form Unions.

**Vici Oshiro:**

Establish a way to determine which government services need to be redesigned and establish a way to do that. Assure that this includes a long-term view to accommodate what Tom Stinson and Tom Gillaspay call "The New Reality." In most cases the value of the suggestions depends upon how they are implemented and how they mesh with other efforts. In K-12 education, the key to innovation lies not just with the teachers. A good administration, including principals, will encourage it. At this point, No Child Left Behind discourages it in at least some schools. The administration's response to NCLB has sometimes been "Do this and do it this way."

**Fred Senn:**

Reform Government to match realities of early 21st century. Put emphasis on reforming tax policy. And education. In the short term, balance the budget through compromise.

**Dave Thul:**

Don't just balance the budget for a single year or biennium. Set the budget on a long-term plan to balance the immediate deficit and keep spending in line with projected revenue. Re the campaign finance proposal for corporations-the only way I could agree with this proposal would be to extend it to unions as well. Union expenditures in campaigns would require a general vote of members for approval.

**Peter Hennessey:**

In 2011, balance the budget without increasing taxes, without borrowing, without the usual accounting games. Limit expenditures to current revenues. In every budget year, reduce taxes, reduce the regulatory burden, reduce government expenditures, reduce the size of the government bureaucracy, reduce the range of government activities to the bare minimum essential services, imitating at the State level the letter and the original intent of the federal Constitution. Push decision making to the lowest, not the highest possible level of government, to the level where the people most directly affected have the best chance of participating in the decision. If you impose prior shareholder approval on corporate contributions to political campaigns and candidates, then you should also impose the same requirement on unions. OR, completely outlaw contributions from all fictitious person entities and allow contributions only from natural persons. There is no First Amendment issue; fictitious persons are physically unable to speak, assemble, worship or vote, only natural persons do those things, and they already have First Amendment rights. I limited myself to Moderately Agree / Disagree because everything depends on how a specific proposal is implemented.

**Mina Harrigan:**

Work in a bi-partisan manner---leadership of both parties meet together weekly with the media to demonstrate something done to further bi-partisanship

**Carol Duff:**

Vigorous support of our cities.

**Joe Shuster:**

I find it surprising that there is no mention of the most important issue of this century. I will admit that the problem I am referring to is more International, and National in scope, but should be troubling to every citizen on this planet. Energy has the potential to drive our descendents into poverty and despair. Without ample energy there is no economy, and consequently no quality of life. Time is running out. Nuclear energy is a must in a fossil fuel free world, yet Minnesota still has a moratorium on nuclear power. The rest of the world is going full steam ahead with nuclear while the US who has the best nuclear technology in the world can't move forward. Because our government is unable to act expeditiously, the rest of the world will once again leave us in the dust in yet another technology, and the export opportunities this technology represents. John Hofmeister pointed out in his book "Why We Hate the Oil Companies" that we are already too late to avoid some serious pain caused by significant shortages of energy. Lee lococa recently proclaimed that the reason other countries are doing better than we are is because they left the technical aspects of energy up to their engineers while the US gave the problem over to their lawyers.

**Ray Schmitz:**

Balance the budget by a combination of tax increases and budget cuts, no shifts of funding to future years, no easy sound bite solutions. Eliminate across the board percent cuts, we are at the point where the reductions in budgets



must be targeted to less necessary services. What sometimes passes for priority, for example, public safety, gets a pass thus never puts in place changes that could save dollars over time. The idea that government can enable or hinder job creation has been demonstrated to be a fallacy, let's get beyond it, and look at needed services and regulations for the public.

**Charles A. Slocum:**

Balance the out of whack budget, set a framework for a 21st century sustainable revenue system that will encourage business and job creation and concentrate on Pre-K kids and their parents to assure school readiness that will result in reading by third grade. Thanks to the Civic Caucus for its important service. I think that the "tone" in which we conduct the public's business is very important. Nonpartisan training for elected officials, some kind of readable and freely accessible "truth evaluation" of media reports, wise use of social media to get things done with optimum public participation.

**Carla Shutrop:**

Sunset unfunded mandates and create a cycle that all mandates are on that will sunset mandates so they will have to be reviewed periodically. Reduce corporate tax and do not raise income tax.

**Donna Schmitt:**

1. Stop any further discussion of expanding government healthcare. We cannot afford this. 2. Get our public PERA under control. We have expanded it too much. Too many retired employees are making more retired than they did when they were employed in a government job. Start with new employees; change the rules so that they can only take out what they put in. Eliminate the coverage for elected officials. They are doing this as a public service; this should not be for profit. 3. Eliminate the current MET council. They have too much control and they are not voted in or out, merely appointed. Too much control and there is no way for the public to approve or disapprove them. 4. We need to trim our government employees. When the largest employer is public financed jobs, this is not right. We cannot afford to keep this up. 5. Eliminate the MNCare Tax. 6. Look into Virginia's Prince William County Immigration Law and consider implementing it to reduce crime and this law has stood up in courts and it is merely enforcing current laws. This is an enforceable law, compared to Arizona's law.

**Jack Swanson:**

Return to the tax rate under Governor Arne Carlson. Have a substantive discussion about desired outcomes from social services programs. Fully fund public education, including higher education.

**S. Stubbe:**

Jobs

**Carol Becker:**

From 2008 to today, we have lost about 110,000 jobs or at \$38,000 a job, about \$5 B in spending and \$5B in wages. If the budget problems are solved all with government cuts, we will lay off more people through that one action than have been laid off throughout the whole rest of the economy. That would be devastating as we struggle for recovery. I think we need to work on reform but also need to increase taxes on the highest income earners to keep a strong state.

**Dave Roeser:**

It's the economy. Lower(ing) taxes has worked before. Cut government spending. Property taxes are too high on business, and small companies can't afford to hire due to tax burden. Also government red tape is choking business. I am also a small businessman and the new laws that have been enacted in the past 7 years are stifling. Once a law is set, staff enforces it by putting in hurdles to business that were not originally perceived by law makers. These hurdles stop businesses. Also, union government job wages have grown to a point that they far overpay government employees when compared to the private sector. Add a law requiring that government job wage scales be tied to private sector performance comparisons. The private sector does this all the time (HR comp) to make sure pay is equitable. Government should do the same.

**Paul Gilje:**

Bite the bullet; no more smoke-and-mirrors techniques that keep the state's future budget situation in limbo. Accompany whatever cuts are necessary in appropriations with new ways of delivering services, e.g. in education, set in motion steps assuring customization of learning for each student.

**Donna Anderson:**

Thanks for asking for our input. 3. (I) think this (is) underway in many departments. 5. (I) think this (is) underway in many departments. 7. Accountability is essential in this policy strategy, where is it? 11. Can't loose access, what is the model, goals?---put in context, not a dangling strategy. 18. What is the goal, context? Could have unintended consequences if implemented as stated. 31. What is purpose of LGA? E.g., give local governments an equitable floor, base, or what?

**Jeff Forester:**

I think John James' plan to redesign Minnesota's state and local fiscal system is critical, and sets a foundation for all the other things that need to happen in the state.

**Ellen Benavides:**

Take a deep breath and commit to working together to accomplish a shared goal at least once every week!

**Richard McGuire:**

Not easily answered in one sentence. The partisanship has to end. The government needs to deal with the near term fiscal issues and the long term growth/stability issues.....the way things are now, this cannot get done.

**P.Jay Kiedrowski:**

Budget Stability

**Bev Bales:**

Local Government Aid

**Charles & Hertha Lutz:**

Increase state income tax rate on highest income individuals

**Arvonne Fraser :**

To be courageous enough to tax citizens and corporations enough to cover state expenses. Otherwise, to tell the public we can't afford to fix old bridges, fill potholes, hire enough police, replace old sewer systems and rescue those harmed by floods, fires or accidents. It's time to get real about taxes and learn that there is no free lunch. It's good we have to balance our state budget. Maybe the governor and legislature should appoint a commission similar to the Simpson-Bowles federal commission to start a serious conversation among the public about how to create and balance our state budget.

**Joe Vene:**

From the county perspective, the management focus has always been on the provision of services with a focus on compliance with state rules/mandates rather than the results of those services. If we plead for "no unfunded mandates" the inadvertent result may well be that we want (to spend) more money to provide more services/programs without necessarily providing results-oriented outcomes for money to be spent. When speaking of the "state budget crisis" counties would do better to advocate for funding of programs/services predicated on demonstrated services that deliver results. If we say that Outcome-Based Government is our Future we must ask the Governor and the Legislature to invest in priorities most valued by citizens -- on a non-partisan basis. A focus on outcomes must be a focus on shared values -- outcome-based government should not be a partisan political issue. Government can only be successful if the state and the counties are successful. There needs to be a mutual commitment from the state, from the legislature and from county leadership to engage in the business of government as indispensable, trusted partners. If we are anticipating a "New Normal" the protectors of the status quo must not be allowed to write the rules for that "New Normal." The state rule-making process must be completely redesigned. What we as counties need is an expeditious process that allows for approvals of county-initiated waivers or exemptions from onerous rules. Accordingly, the Governor and the Legislature need to support the authorization of a mechanism to authorize pilot projects or demonstration projects.

**Alan Miller:**

Obviously, the budget is a great concern, and getting people back to work, but at the same time assuring health care for all Minnesotans, and our spiraling costs, as well as infrastructure needs have to rank up there. It goes beyond the deficit; it goes to basic needs to maintain the quality of life. In other words, who would want that job?

**Al Quie:**

An obligation which cannot be neglected, of course, is the budget. While balancing the budget, education achievement must be dramatically improved, attention be given to the deteriorating highway system and our tax system must be reformed. People would like it best if their programs were not cut and their taxes were not raised. That means the most important action is to do what is most just for long term prosperity of our state. It is a good thing we will have all the new faces to address this problem.

**M. Curry:**

Balance the budget; no more shifts; no more dipping into trust funds for general fund purposes. Less posturing- more governance!

**Lyall Schwarzkopf:**

We need to get the budget under control so that we stop the having deficits every year. That may mean many cuts in the state budget and people will not have all the things that they have gotten used to. It also may mean an increase in taxes, which no one wants with the economy we have today. But this state must get its budget under control.

**Carolyn Ring:**

Begin forwarded message: The legislature and Governor must do everything possible to create and maintain jobs in MN. It will take a combination of incentives and tax breaks, but it must be done to strengthen our economy and provide for long-term employment. Job creation undergirds the other problems, of education, infrastructure, and other needs. As more jobs are created, more taxes are collected, and more government services are solvent.

**Austin Chapman:**

Redesign key services now provided by the state in order to reduce expenditures while making the dollars expended more effective.

**Paul Marquart:**

To enact a budget that takes a long-term and balanced approach that recognizes the challenges of the new normal, protects our highest priorities of education, health care and property tax relief, and embraces redesign efforts that produce better results at a better price.

**John James:**

Most important is to balance the budget for FY 2010-11 and FY 2012-13, and do so in a way that sets us up for future fiscal stability.

Obviously, the big challenge is to balance the budget in the short run (current and next biennia), and lay a foundation for long-term budgetary stability. The forecast, which I think comes out next week, will indicate whether we still have a crisis for FY 2010-11 and whether the problems for FY 2012-13 have gotten better or worse. If the situation has worsened, I urge you to recommend immediate temporary tax increases as well as spending cuts, including unallotments, to deal with it.

**John Nowicki:**

Stop the power struggles, forget about the party and work for Minnesota. Compromise! The State should not be allowed to pass legislation requiring actions without fully funding the issue.

**Phyllis Kahn:**

Completely missing is the subject/issue that is necessary to do almost any of these things: a comprehensive overhaul of the state's data management systems.

**John Rollwagen:**

What I truly wish the newly elected leadership of this state would do is sit down and agree first of all that we are faced with an unprecedented combination of challenges, particularly in education, transportation, health care and entitlements, with truly limited financial resources to meet them. New thinking (like many of the ideas in your memo) and real leadership are required across the board. 'No new taxes' won't work. There must be critical reinvestment in this state, or it will just plain wear out. But continuing current programs, even at a lower level, won't work either. There just isn't enough money in the world -- as we are seeing in the paper every day. If that agreement could be reached, then men and women of goodwill would be able to put together an agenda of issues to be addressed over a reasonable period of time with no preconceptions other than whatever we're doing now isn't good enough to continue. Then it wouldn't matter which came first. We just need to get on with it.

**Tim McDonald:**

Continue with the implementation of Minnesota's 2008 health care reform laws to gather information on cost and quality, and provide incentives for consumers to choose services based on value.

**John Branstad:**

Make the necessary changes to the budgeting process so we can avoid the gimmicky non-solutions of the last few years.

In general, words like "require" bother me. I don't believe we need more government-imposed mandates. Instead we need to incentivize behaviors, such as increased funding (or less of a decrease) if certain conditions are met.

**John S. Adams:**

(1) Create a Governor's Commission on Higher Education in Minnesota reporting to the legislature, and (2) reestablish a Minnesota Higher Education Coordinating Board to carry out recommended changes.

Higher education in Minnesota is slipping compared with our national and international competitors--not because we invest too little, but because we fail to get full value for what we invest and spend. The economy suffers. The structures of the 5 systems (UofM, MnSCU, private colleges, private non-profits like Dunwoody, & private proprietary schools), the relationships between and among them, and their links with secondary schools need fixing.

**Clarence Shallbetter:**

Have the House and Senate send a joint budget bill to the governor by March 15 indicating the overall total budget, revenues they will operate with and the spending targets for each part of the budget.

**Scott Halstead:**

Establish meaningful performance, environmental, adverse impacts and economic standards for rail transit. Utilize Bus Rapid transit systems. Competitively contract for all bus services within the Twin Cities metro area. Require metropolitan areas be developed with a comprehensive plan including water, waste treatment, environmental, housing, parks, schools, commercial, industrial, roads and transit. Allocate financial resources accordingly. Utilize buses for regional transit during off peak hours to retail, medical, educational and senior centers. Require local governments to prepare comprehensive communities for a lifetime (CFL) plans and implement within a schedule based upon their senior population. Allocate equitable financial resources for CFL. Establish a tax credit for volunteers that perform services for a community based upon savings or improved services. Tax credit may be utilized to reduce income taxes or property taxes. Governor appoint Metropolitan Council Chair. District Representatives elected by local government officials in their district. Expand the Metropolitan area to a minimum of 15 counties. Require rapid transit fares to cover 45% of the operation and maintenance costs. Reduce funds for communities/districts/metropolitan area for not meeting transit standards, not preparing and implementing comprehensive and cost effective comprehensive plans. More transit funds will be allocated for suburb-to-suburb transit tying into current spoke transit so we have a more comprehensive and efficient transit system which allows individuals to access jobs throughout the metropolitan area. The state auditor should audit all local public retirement systems. Underfunded plans shall be brought into state managed funds and maintained in separated systems. Existing annuities shall be reduced up to 20% and employers shall be required to increase funding to bring the plan up to fully funded within 5 years. Cost of living adjustments shall not be allowed for any public pension that is 8% or more underfunded and shall be prorated for less than 100% funding. The cost of living index shall be utilize

a seniors index. Retirement systems that with excess funds of more than 8% shall be utilized to increase the pension formula and awards to the financial managers. Financial managers contracts shall be compensated based upon performance including gains, losses and preservation of assets. Employees hired after 2012 shall be placed in a 3 tier retirement system which will include social security, a limited defined benefit plan and a Roth 403B plan with a mandatory 3% employee contribution and match by the employer. The State of Minnesota will award all health plans for state and local governments. Employee premiums shall vary from 20% to 40% based upon the employees' and families' personally controllable wellness. Higher employee contributions will be necessary and graduated for smoking, alcohol and drug abuse, a BMI of more than 27 and a BMI of more than 30 and high blood pressure.

#### Willard B. Shapira:

Appropriate budgeting of taxpayer dollars. No subsidies for billionaires seeking new stadiums who can pay for them themselves and should since they are the only ones who would profit and there is no public benefit whatsoever. Ditto developers such as Mall of America, which doesn't need our tax dollars for parking facilities or anything else. Stadium extortionists such as Zygi Wilf and the super-rich owners of MOA must document their net worth so that the governor, our legislators and the public know they have a real financial need. If they don't have such a need or refuse to open their books, the deal is off. This should be written into law. My contribution to your message to the next governor and Lege is this: With the state facing a \$6 billion deficit, thousands facing mortgage foreclosure, homelessness, joblessness, hunger and unemployment benefits expiring, the absolute last thing we need is a high-powered extortion campaign by zillionaire Zygi Wilf and its de facto PR agency, the Star Tribune, which no longer prints any of my letters to the editor on any subject, to extort a new stadium for the Vikings that could cost taxpayers up one billion dollars.---one-sixth of the public deficit! We got reamed by Carl Pohlad and the Strib four years ago. My rear end still aches from that experience. No more. Tell Zygi to meet with the governor, the Lege and U of M regents now, urge him (to) buy TCF Bank Stadium now, lease it to the Gophers, renovate it and roof it to his heart's content with his own money because if he doesn't like that deal, that's all he's going to get, then take his team and sell it or move it and good riddance. Vikings front man Lester Bagley always asks if Minnesotans if they consider the Vikings an asset or not. Since 75% of those polled by the Strib recently opposed public funding for a new stadium, I'd say Lester, Zygi and the Strib already have their answer. Let us not waste valuable Legislative time and money on an issue that should receive no further public attention. Get this done now, lawmakers, so you can deal with real public problems when the new session begins. Stop the Stadium/Zap Zygi. Zygi Wilf's team has been valued at over \$700m by Forbes; that he can well afford to pay for a new stadium himself; that he has yet to disclose his net worth, and that he would be the only one to profit from a new stadium and there would be no public benefit whatsoever, Mr. Bagley notwithstanding.

#### Terry Stone:

- The governor and legislature need to show strong leadership by taking immediate action on a balanced biennial budget including the restoration of a state reserve fund. If the solidly conservative legislature fails to take a strong leadership position on the budget, the lead will fall, by default, to the unsustainable spending ideas of a progressive governor.
- To mitigate the harm that legislative and executive budget games have caused to the fiscal stability of our state, and to inoculate our state against further fiscal abuse, an amendment must originate from the legislature calling for budgets to be balanced on a quadrennial basis. The capacity of state government to shift expenses to create the illusion of a balanced budget must be restricted.
- To mitigate the harm that legislative and executive budget games have caused to the fiscal stability of our state, and to inoculate our state against further fiscal abuse, an amendment must originate from the legislature calling for budgets to be balanced on a quadrennial basis. The capacity of state government to shift expenses to create the illusion of a balanced budget must be restricted.
- To mitigate the capricious growth of state government, the legislature needs to propose a constitutional amendment that limits the passage of revenue-increasing bills only by a supermajority. This provision would apply to taxes, fees, rates, capitations and re-priced government services. pp- Minnesota state government is a unique organization in that there are as many agenda and time horizons as there are legislators and constitutional officers; most with the self-interest of re-election. Compounding the problem is a well-evolved two generations of populace lacking the art of fiscal restraint.

A number of actionable ideas exist among Civic Caucus interviews. Implementation requires political will that is not in evidence. This lack of political will begins with our population and permeates every aspect of our political

environment.

The factors that work against meaningful change in state government seem endless. The first dozen that come to mind are:

- The dominance of the metropolitan area with its syndrome of social problems and special needs---it is significant that the two states with the least financial stress (North Dakota & Wyoming) have no metropolitan areas
- The frequently incompatible needs of re-election and the needs of the state
- Our state's low tolerance for pain both financial and political
- Special interests too deeply entrenched in partisan legislative initiatives and governance
- The short time horizon available for long-term redesign initiatives
- Highly polarized antipodal political parties
- The large quantity of programs designed to enable poverty instead of eliminating it.
- Institutional inertia
- The irregular revenue stream of all levels of Minnesota government
- Bureaucratic self interest
- Sufficient resources to make protracted mistakes long enough that they become popular and still survive them for years
- The pressure placed upon Minnesota policy by federal money that is shaped by both international initiatives and influences originating on both coasts

My three recommendations for the legislature and the governor listed above are fundamental tools that will facilitate the implementation of any redesign idea. This is why I identified these particular three as most important ideas for consideration by the legislature and the governor.

#### Robert J. Brown:

I think the most important thing to be done does not relate to specific pieces of legislation, but to bringing the legislators and executive branch leaders (governor's office and commissioners) together for training in constructive dispute resolution facilitated by people with no ax to grind and with strong dispute resolution skills. This should be done in open meetings which would take place periodically throughout the legislative session and the following interim if necessary. This will take time for people to build adequate levels of trust, but it is necessary if we are to get out of the mess we are in. They should work on some of the less contentious issues first in order to see some short term successes and go on to the tougher issues as a comfort level develops. I think it would be possible to resolve issues such as court reform and legislative redistricting to show some success before taking on the big tax and spending issues.

Comments on specific issues: 5. Only if unions would be required to seek member votes on campaign contributions. My personal preference would be that no organization should be allowed to contribute to campaigns except for the political parties, but that would require a constitutional amendment since the court has equated money with speech. The current rules have balkanized the voting public on special interest lines, undermined the political parties, and made it difficult if not impossible to reach a political consensus on major issues. 9. There has to be some kind of job security so we don't return to the era where teachers are laid off in order to employ friends and relatives of school board members. 10. Should also consider the non-need-based voucher for all citizens that was suggested in the Brandl- Weber study. 11. This could happen naturally if there was a reduction in institutional support coupled with the increase in student aid suggested in the previous item. 12. Can't the existing state institutions just expand their distance learning programs? 13. Should have been done years ago if it weren't for the power brokers at the U. of M. 14. I still believe that this could be done by a computer program starting in a randomly selected corner of the state and using some agreed-on criteria (e.g., don't break a community of less than 10,000 population.) Having been involved with redistricting I know it is impossible to have humans doing this without politics entering into the system. 16. A reasonable limit (10 or 12 years) would allow for people to develop their skills on the job, but keep them from stagnating. If an individual is so good or "needed" in public office let that person run for the other house of the legislature or some other office and/or even be able to run again for the same office after some time off. 17. The problem is not party designation; it is the lack of broad based parties as extreme elements have taken over party caucuses in many districts. 19. Sound nice, but it could just be another bureaucratic mess. 34. I am philosophically opposed gambling as a revenue source for government, but if we are going to have it the money should be used for



non-essential items so that if we eliminate the gambling industry later it will not create havoc with our essential services.

#### Tom Spitznagle:

Redesign state, county and school district operations and revamp the overall tax revenue system accordingly. Minnesota's property tax system has serious operational flaws thereby offering opportunities for the state legislature to adopt a new taxing approach to generate revenue for cities, schools, counties and the state that is fairer and more transparent. This will require a heightened awareness by the general public of the current system's flaws which then hopefully will generate the "political will" for politicians to tackle an overhaul of this very outdated, expensive, unwieldy and oftentimes unfair taxing mechanism.

If Mark Dayton is our new governor this message probably will not resonate with him but my greatest concerns are that state (and federal) government: 1) has become overreaching in many respects, 2) is too large in terms of employees, 3) consumes too many financial resources and, 4) worst of all, does so without any real strong concern for efficiency.

If the current trends toward larger government continue, citizens are at risk of losing control. If enough people (voters) are employed by government or are dependent on government for financial security then the control the electorate has over government spending will be lost. Take a walk through the skyways of downtown St Paul and observe how much office space is now occupied by state departments - it's incredible. We're on the wrong path!

Even worse, we will have lost what has made this country great - the freedom for anyone to have an idea, take the risk of creating a business from scratch without a lot of government interference, employ motivated people that share in that vision, and enjoy the rewards for their efforts (i.e. - create wealth).

John James has some worthwhile ideas for realigning our state's methods for raising revenue through taxes and for making government more efficient. For example, do we still need 87 county governments (people no longer travel by horse to do business with their county government)? Do we really need MNSCU campuses in every corner of the state?

I'm also very concerned with public sector benefits after reading that Minnesota's bridge engineer retired with about 50% of his \$100K+ salary. Another friend of mine retired from the USPO with 80% of his pay. This is unsustainable.

It has been reported (e.g. - city of Minneapolis) that public pension funds are down in their investment returns due to the recent economy but political leaders are asking taxpayers to put in more money to make up for the losses. This is all nuts! Is the government going to send me a check because my IRA investments went down? If a public pension fund consciously invests in stocks do they expect to reap the upside benefits and pass the downside risk off to the taxpayers? Unbelievable! I'm also starting to become concerned that my alma mater, the U of M, has lost its educational leadership position in many key areas (i.e. - engineering and business) and seems to be moving more towards becoming a political entity - inserting itself more and more into political matters instead of focusing on its primary mission - education.

Finally, I'm amazed that Minnesota's property tax system has not yet been scrapped. Below is a write-up on property taxes that I did for MSRPO:

#### -Major Property Tax Flaws Unfair to Minnesotans

Minnesotans unquestionably pay their property taxes each year pretty much as they always have. It's practically a patriotic duty to pay what most Minnesotans generally believe to be their "fair share" of community expenses.

#### So What's the Problem Then?

Understand this much about Minnesota's property tax system: There is virtually no correlation between the amount of property taxes individual Minnesotans pay and the cost of the government services that they receive in return. Depending on a range of local and state factors affecting how the property tax system is administered in a particular

community, many individual Minnesotans are getting a great deal on their share of local government expenses while others are getting the shaft.

Although it's difficult to design and implement a totally fair and efficient major taxing mechanism, Minnesota's current property tax system falls far short on several important measures and deserves a long overdue critical review of its effectiveness by state officials.

#### Stacking Up Against the State's Own Tax Principles

The State of Minnesota offers six "tax policy principles" for determining how good a tax system works. Let's see how Minnesota's property tax system stacks up to these principles.

Understandable: Grade "D-"

"Understandability promotes trust and is essential for voluntary compliance".

Most Minnesotans don't really comprehend the state's property tax system. Minnesota's property tax system is opaque – very few people understand the interwoven formulas of state aid, assessment practices, different credits and buy downs and various classifications and rates. Citizens have a vague notion about what the property tax revenues are used for, i.e. – schools, roads, police, and so forth, but all of these also are supported by state and even federal revenues in different amounts depending on the amount of tax base in a given district. Most also do not fully comprehend such property tax provisions as limited market value, state general tax, property tax refunds, circuit breakers and the income tax implications. Nor do they understand concepts such as the determination of assessed and market values, tax rates by property type and tax capacity, to name a few.

Stable and Predictable: Grade "A"

"Lawmakers and citizens need a reliable tax system to provide revenues for essential services".

This is likely the primary reason why politicians and bureaucrats favor leaving the property tax system largely intact – it provides a relatively reliable stream of revenue in all economic circumstances whereas the revenues from income taxes, fees and sales taxes can fluctuate significantly with changes in the economy.

It is debatable which government services can be regarded as essential however, so although property taxes get an "A" for stability and predictability, it can be debated that this characteristic of the current property tax system also can prevent government from making decisions consistent with current economic realities and community needs.

Economically Neutral: Grade "F"

"The tax system should not exert unintended influence over citizens' economic decisions".

Many cabin owners have sold or subdivided their properties because they could no longer afford the property taxes. Inherent inequities in Minnesota's property tax system force many citizens out of their homes each year as well. Many other property owners are forced to subdivide their properties for development instead of preserving them for recreational or agricultural purposes or simply to keep them in the family for future generations to enjoy. Lakeshore and forestlands are threatened by forced subdivision of lands directly related to Minnesota's property tax system.

In counties having high percentages of higher-valued seasonal properties, government services available to full-time residents are artificially supported by seasonal property owners who are not in a position to fully utilize those services.

Fair: Grade "F"

"A fair system treats taxpayers in similar situations the same and distributes the burden of paying for government equitably".

Failure to substantially satisfy the second part of this very important criterion represents the greatest weakness of Minnesota's property tax system and is justification alone for scrapping the entire system in favor of a simpler and fairer tax system.



In an attempt to mitigate some of the inherent flaws in Minnesota's property tax system, the state legislature enacted a property tax refund mechanism. The deductibility of property taxes and mortgage interest payments on federal and state personal income tax returns further complicates the overall tax picture for property-owning Minnesotans.

Competitive: Grade "B"

"The tax system should not interfere with Minnesota's ability to compete in the national and global markets".

Compared with other states, Minnesota's rankings for property taxes are about in the middle of the pack. It is difficult to assess Minnesota's true national or international competitiveness without considering all other forms of taxes in combination relative to competing states and countries.

Efficient: Grade "D"

The current property tax system is very complex and is expensive to operate. Every city and/or county in the state must maintain a staff of trained assessors whose responsibility it is to update the assessed value of each property at least every five years, perform analyses of trends in local property values annually, maintain systems to record property data and manage billing, hold public hearings, etc., etc. The costs are enormous. Yet, there is no easy way for property owners to know exactly where and for what purpose their taxes are being spent. As a result of this complexity, it is difficult for a property owner to challenge the amount of assessed property taxes.