A. Welcome and introductions.

Joe Graba is a co-founder of Education|Evolving. He began his career as a science teacher at Wadena Public Schools, and served three years as Vice President of the Minnesota Federation of Teachers. He served three terms in the Minnesota House of Representatives and four years as Chair of Education Finance Committee. Following his legislative service he was appointed Deputy Commissioner of Education for the State of Minnesota, Director of Minnesota’s Technical College System, Deputy Executive Director of the Minnesota Higher Education Coordinating Board, and Interim Executive Director of the Minnesota Higher Education Services Office. Joe served as Dean of Hamline University’s Graduate School of Education from 1997 to 2000. Beyond Minnesota, Joe was Chair of the Education Committee of the Midwest Conference of the Council of State Governments and a member of the Education Task Force of the National Conference of State Legislatures.

Martin Sabo was a member of the Minnesota House of Representatives from 1960 to 1978, serving as minority leader from 1969 to 1972 and as speaker of the house from 1973 to 1978. He was President of the National Conference of State Legislatures and of the National Legislative Conference. He served in the U.S. House of Representatives from 1979 to 2006, where he chaired the Budget Committee, sat on the Appropriations Committee, and was ranking member of the Appropriations Committee’s Homeland Security Subcommittee. Since his retirement from Congress,
he has served as co-chair of the National Transportation Policy Project of the Bipartisan Policy Center.

Tom Triplett is a former commissioner of the Minnesota state departments of Finance, Planning and Revenue. He was also policy director for a former mayor of St. Paul, interim vice-chancellor for finance of Minnesota State Colleges and Universities, and Deputy Counsel to the Minnesota Attorney General. Formerly an attorney with two of the state's largest law firms, Tom is now Principal of Triplett Consulting LLC, advising non-profits on revenue enhancement. He has served as CEO of four Minnesota nonprofits: the College of Visual Arts, the Minnesota Business Partnership, the Minnesota Project, and the St Paul Convention and Visitors Bureau.

B. Comments and discussion

Successful interims are possible

Sabo: We found mini-week sessions for committees in the interim to be effective. We also used an interim commission for a tax study in 73-74 that developed the "circuit breaker", which was passed in 1975.

Unofficial tasks forces can also be useful. Gov. Anderson's proposal for a catastrophic health plan in 1975 was delayed until 1976 so we could do interim work. It passed in 1976 along with the pool for uninsurable people and many insurance changes. We were limited by federal pre-emption from further change.

H.F.I., the social service funding consolidation, was developed in the interim with the work of a diverse group of legislative staff with outside help.

Graba: I see it from the perspective of the chairman of a committee. As we would go through the legislative year we would keep a list of topics and issues that came up during the session to work on during the interim. At some point after the session we would come back when people had had a chance to rest a bit and go through that list.

I think it was pretty common for committee chairs and staff to work during the interim. You have to give them a chance to rest and get a clear head, but many are very anxious to get going on things that they were unable to get done during the session.

Triplett: I want to offer perspective from both the legislative and executive sides. My first position in government was as counsel to the state Senate. When I worked at the legislature I disliked the interims passionately—they were boring. When I decided to leave and work for Rudy Perpich someone asked if the sessions were too tough and draining. No, I said, it was just the opposite. I particularly didn't like the election years when everyone's attention seemed to be directed elsewhere than the capitol. From the perspective of a legislative staffer, if you weren't with an active committee chair or in Sabo's position where there were these "mini" sessions, it could really drag.

I worked for Bob North, who was interested in boards and commissions. We spent multiple sessions cleaning up boards and regulations. For example, we got rid of the board of watchmakers. There is a lot of tedium of that nature that is perfect for the interim.
**Q:** How difficult was it to get the legislature to accept the notion of mini sessions?

**Sabo:** It wasn't difficult.

**Graba:** An alternative is that you can have legislative committees meet to work on issues, but not make decisions.

**Proposals for major change often come from outside government**

**Q:** Is the legislature fundamentally a reactive body, and thus do proposals need to come from the outside?

**Sabo:** The legislature is a broker of ideas, but it also has the capacity to develop their own. There are many very informed members and a very good staff. Proposals for change or redesign must be based on an understanding of what exists.

**Graba:** I think it can work well to have big ideas come in from the outside, but it's spotty. I think 90 percent of work by the legislature in the interim has been to fine-tune something that already exists rather than doing something fundamentally new.

**Q:** How do you see the role of legislative leadership vs. outside pressure on the legislature?

**Triplett:** Many successful legislative interims relied on proposals coming in from outside sources.

**Q:** If you're talking redesign instead of improvement, are you saying redesign has to be broader than the legislature?

**Graba:** I'd say yes-if you think of the legislative staff, they get so zeroed in. You've heard me say it before: The people that work in organizations internalize and become advocates of the system. It's good to have knowledge of how a system runs, but it's important to have some distance. If you lead an organization it becomes part of your values system—you need to be an advocate of it if you are going to have support from the inside. That necessarily impinges on your objectivity.

**Q:** Does that mean that if you're going to work on changing the delivery of public services we'd need to bring in mayors and city councilmen.

**Graba:** I'd bring in the former mayors and councilmen.

**Sabo:** Proposals for change or redesign must be based on an understanding of what exists. Sometimes outside people can be very helpful.

**Graba:** Take Ted Kolderie for example—when he starts talking about his ideas he makes very clear that he's not a schoolteacher, but his distance gives a good perspective.

**Role of the Governor is key to successful interim work**
Sabo: Governors are key to promoting big ideas. They have access to public attention and the ability to consolidate talent from both the agencies and the outside groups that exceed the legislative capability. Gov. Anderson's LEAP program was an example when it worked. The elimination of state planning to aid the governor and legislature was a serious mistake.

Graba: The thing about a governor is he can reach across the agencies, and reach out to non-profits that probably couldn't all be convened by chairs of legislative committees. I think the state really suffers from the lack of the former State Planning Agency with someone in charge who sees it as his job to think about this.

Triplett: It is absolutely central to have an agency like that. Another very strong lever is the governor's ability to call special sessions. I think if the governor and legislative leadership would agree on an appropriate set of topics and time for the interim, the governor could say "Okay-you work for three months on these issues, and we'll hold a one-day special session in the fall to pass some of these things."

Overall objective for the coming interim should be clear

Q: If you could pick one topic to be part of the interim agenda what would you say?

Triplett: From my experience working in state government I haven't seen such a bold attempt as that of the Republican leadership's disregarding the fiscal note process and disregarding the state economist. We may be heading toward a crisis if people can't even agree on the numbers from which to work.

Sabo: The top priority for the coming interim should be health care.

Graba: I don't disagree with Sabo that health care is probably number one, but I know there are a number of people that think this is a remarkable time for restructuring local units of government as well, given the budget situation.

Q: Where do you put education in the redesign?

Graba: I think Minnesota has largely put in place the framework for education innovation. I don't think it's widely understood; I think even those of us that have worked on it for our entire careers have a difficult time wrapping our heads around it.

Triplett: I think that the audit commission model works well for pulling in ideas from across the state to come up with 4-6 items for that set of staff to work on. This could be a model for selecting areas to focus on in the interim, though there would need to be attention paid to the fact that the audit commission is structured to be backward looking.

Q: Knowing your top issues, what would be best to do during the interim to make progress on these issues?

Graba: These don't need to be legislative commissions. I think that we need to have people from outside the legislature to be interfacing with the government leaders. I think the need for leadership
depends on the committee chair-I think the committee chair can do a lot, but if it's a major change you've got to have the leadership involved.

**Non-legislators' role brings important perspective**

**Q:** For many years the great ideas came from outside the government. Now it seems that the creative ideas come from the inside.

**Graba:** It is true that the longer or closer people are involved with an organization the more difficult it is to see how things can be done differently.

One participant recalled an interview in the 1960's with Hubert Humphrey, who was back from Europe where he had been learning about the emerging European Community. He was bubbling over with what he called "The necessary incompetence of the politician." All the political scientists knew the grand concept of the European Community couldn't be realized—but others, those "incompetent politicians", proved them wrong.

Combine quite a deep understanding of how things work, the participant said, with perspective from the outside. You get a lot of people who know how things work or don't work but don't have the political standing to say so.

**Are changes to entitlements politically feasible?**

**Q:** Isn't it true that it is not in any politician's self-interest to make changes in something that people see as entitlements?

**Graba:** I think that if we could implement a two-year surcharge tax with an expiration date, this could be leverage for setting the stage for fundamental redesign in these areas.

**Reaction to structural political reforms is mixed**

**Q:** Do you think we need to have structural reform in the political process, in the form of term limits?

**Sabo:** Term limits would be a step backwards.

**Triplett:** Maybe a really interesting project could be the question of whether there are structural ways to impact the partisanship.

**Graba:** I'm always inclined to say I'm open to the possibility that there are modifications that could be made, but I'm not sure if that gets to the root of the problems.

I learned an awful lot from my Republican colleagues. The atmosphere back then was such that you didn't fear working with them. My first term I was in the minority and I was fortunate to be able to learn from colleagues. And that carried over when we were in the majority. There is so much difference in the power between majority and minority that it discourages a lot of cooperation. And now we've developed the attitude politically that to compromise is almost unpatriotic.
C. Closing - To close the speakers agreed that it would be important this session to begin interim work early, to keep it bipartisan as much as possible, and target the work on cutting the long-term cost growth. While the Governor should lead, they said, the legislature has an active role to play as well.