



Summary of Meeting with State Sen. Geoff Michel

Civic Caucus, 8301 Creekside Circle, Bloomington, MN 55437

Friday, March 13, 2008

Guest speaker: State Sen. Geoff Michel , Edina-Bloomington

Present: Verne C. Johnson, chair; David Broden, Marianne Curry, Bill Frenzel (by phone), Paul Gilje, Jim Hetland, Dan Loritz, Tim McDonald, and Wayne Popham (by phone)

A. Context of the meeting —The Civic Caucus has been looking at several legislative issues, including transportation, elections, transportation, and government structure. Today the Caucus is visiting with a leader of the Minnesota 2020 Conference, a consensus-building group in the Legislature.

B. Welcome and introductions —Verne and Paul welcomed and introduced **State Sen. Geoff Michel**, assistant GOP Minority leader. Minnesota State Senate. Michel is serving his second term in the Senate. In private life he's an attorney with Securian Financial Group. He's a graduate of Dartmouth College and the University of Minnesota Law School.

C. Comments and discussion —During Michel's comments and in discussion with the Civic Caucus the following points were raised:

1. Need for overall leadership on transportation —Responding to a question about fragmented decision-making on transportation in Minnesota, Michel said he agrees that it seems as if no one is in charge. It is important that the Governor provide overall leadership. Michel said he believes in a strong chief executive. A problem in Minnesota, he said, is that there are multiple pots of money for transportation, which makes it difficult for any one office to provide overall leadership.

2. Recognize how legislators think about priorities —When it comes to how priorities on transportation should be set, Michel noted that individual legislators always tend to think first about needs in their own districts. Thus, he said, in his own case, he thinks first about the need to upgrade the 494-169 interchange. He acknowledged that such a situation highlights the importance of a strong statewide perspective being provided by the Governor.

3. Exercising leadership on dedicated, as well as non-dedicated, funds —It was noted that traditionally most attention is focused on what the Governor proposes concerning the state's general fund. Michel was asked whether the Legislature might invite or require the Governor to make

proposals on other funds, even though such funds might be outside the Governor's control. Thus, for example, it should be possible for the Governor to make comprehensive proposals on use of all sources of transportation funding in the state, irrespective of whatever agency or level of government might exercise ultimate control over certain funds. Michel said he is open to such an idea. A Civic Caucus member noted that county governments are agents of state government and, therefore, it would be logical that the Governor could suggest how transportation funds dedicated to counties ought to be spent.

4. Lack of awareness of transportation problems —A Civic Caucus member observed that many people mistakenly think the state's transportation problems were largely addressed by recent legislation that increased gasoline taxes and vehicle license fees and granted metro county access to the sales tax for transit.

5. Relate transportation to the economy and jobs —A Civic Caucus member said that transportation ought to be thought of first as a strategic investment towards helping the economy and jobs.

6. Questions about restrictions on charter schools —Moving on to the field of education, Michel was asked about proposals to place a moratorium on new charter schools in Minnesota. Michel said that while improvements are needed in charter schools, he opposes restrictions on their development because they are important sources of innovation. Some legislators appear to be interested in charter restrictions, he said, because of the possibility that—in this time of budgetary shortfalls—dollars could be shifted to traditional schools.

On a related educational matter, Michel said he doesn't like the federally-funded No Child Left Behind program and fears a growing federal role in education.

7. Possibility of education seeking constitutional revenue protection —A Civic Caucus member inquired whether educators might seek in this session the same kind of revenue protection that was given to outdoors and the arts in a constitutional amendment last fall. Such an option—however distasteful a dedicated fund might be—could be attractive for educators who want more money and legislators who don't want to increase taxes directly. Michel said he personally is reluctant to go that way. Taking note of proposals in the Legislature to increase income taxes by \$2 billion, Michel said he is opposed because such increases would give Minnesota the highest income tax rate in the nation. States like Arizona and Florida would welcome such a decision because, he said, those states would welcome former Minnesotans relocating their residences.

8. Legislature should be able to adjourn on time —Asked if the Legislature might be deadlocked and need to go to a special session, Michel said that shouldn't be necessary because lawmakers have known about the magnitude of the problem for several months. School districts and other local units of government are waiting for state budgets to be set so that they can then set their own budgets. We should not make them wait.

9. Explore new revenue-raising possibilities —Michel said he favors taking a full inventory of state assets to determine what might be sold or leased to private interests. He noted that Midway Airport in Chicago has been leased to a private business. Maybe the same could be done with Minneapolis-St. Paul International Airport. Perhaps the state lottery could be handled in that fashion and maybe other

areas such as parking meters (city of Chicago example) and Giant's Ridge golf and ski resort in Biwabik. Such public/private partnerships might be more attractive than floating bonds to be paid from tobacco revenues, he said.

A Civic Caucus member suggested that Governor Pawlenty might be hamstrung by a campaign pledge of several years ago not to raise taxes. Another factor, the member suggested, might be the Governor's possible interest in national office.

10. Attacking the question of "too much" government —In response to a question about using the current budget shortfall as an impetus for substantial structural change, Michel noted that Mitch Daniels, governor of Indiana, has put a commission together to examine whether the state could eliminate one or more levels of government. He said that Daniels wants to eliminate townships and roll their services into counties. He also wants to require that school districts have a minimum of 2,000 pupils.

Michel distributed a flyer titled "Too Many Layers" that illustrates Minnesota has 87 counties, 855 cities, 1,786 townships, 340 school districts, and 59 public college and university campuses.

It's very difficult for citizens to know who is in charge, with so many levels, he said.

Responding to a question, Michel said that a proposal to require counties to work together to consolidate health and human services functions is still very much alive in this session.

Addressing the question of higher education campuses is immensely difficult for the Legislature because even raising the question is deemed to be anti-rural, Michel said. He wonders if a legislatively-created body, similar to a federal government commission on closing military bases, might be appropriate for Minnesota higher education. The commission would make a binding decision unless overruled by the Legislature. Broad bi-partisan support would be essential for such an effort to succeed, he said.

11. Support for judicial selection and redistricting changes —Michel said he supports the Quie commission's recommendations for merit selection of judges, with retention elections, and he supports the Humphrey Institute proposal for a commission to redraw legislative district boundaries.

12. Public financing of election campaigns? —A Civic Caucus member said that public financing of election campaigns would have the effect of insulating legislators from pressures of single interest groups.

13. Leadership by the business community —A Civic Caucus member wondered whether the business community is taking sufficiently strong positions on the importance of statewide elected leadership.

14. Recognize short-term impact of federal stimulus money —Michel noted that the state's budget this year will be partially balanced because of federal stimulus money. But those are one-time-only funds and won't be available in subsequent years. Thus, the Legislature will face a challenge in replacing those funds in the following biennium. Michel agreed with a Civic Caucus member's observation that the Legislature is likely to do the absolute minimum to balance the budget for the upcoming biennium and nothing more.

15. Activity of Minnesota 2020 Conference —The Minnesota 2020 Conference is a bipartisan group of legislators from the House and Senate, with members from the metro area and Greater Minnesota, Michel said. One major proposal from that group, he said, is to require that the initial budget forecast for the upcoming biennium, which now comes in November following the election, would be advanced to an earlier date so that the legislative campaigns could be more focused on tough decisions that will need to be made.

16. Thanks —On behalf of the Civic Caucus, Verne thanked Michel for meeting with us today.