



# Carol McFarlane, Co-Chair, Minn. House Bipartisan Redesign Caucus

Civic Caucus, 8301 Creekside Circle #920, Bloomington, MN 55437

*February 18, 2011*

**Present:** Verne Johnson, chair; David Broden, Janis Clay, Paul Gilje, Jim Hetland (phone), John Mooty (phone), Wayne Popham (phone), and Clarence Shallbetter (phone)

**Welcome and introductions :** Verne and Paul welcomed and introduced **State Rep. Carol McFarlane**, White Bear Lake, co-chair of the bi-partisan House Redesign Caucus. McFarlane is serving her third term. Before her election to the Minnesota House, she served as a member of the White Bear Lake School Board from 2000 through 2006. McFarlane is a past co-chair and current member of the northeast chapter of MICAH, an organization that works on affordable housing. She is also a past president of Northeast Metro Intermediate School District 916 Education Foundation. She continues in the role of vice president/treasurer of Venburg Tire Co., a family-owned business founded by her father 43 years ago.

**Comments and Discussion :** During McFarlane's discussion with the Civic Caucus the following points were raised:

\* **Collaborative Government Council** —McFarlane began her discussion of the importance of bringing stakeholders together in the process of governing by referring to the Collaborative Government Council. The Council was established by the Legislature in 2010, following efforts by McFarlane and then-Rep. Marsha Swails. McFarlane and Swails traveled around Minnesota to visit service cooperatives that have been in existence since the 1970's. Their process involved numerous meetings bringing the stakeholders together to create and agree on the language of the legislation. School districts, counties, cities and townships, and union representation agreed that eliminating obstacles to collaboration would enable them to work more closely with one another. The Council is chaired by Rebecca Otto, State Auditor, and includes representatives from the Association of Minnesota Counties, Education Minnesota, the Minnesota School Boards Association, AFSCME, the Minnesota Association of Townships, the Minnesota Chamber of Commerce, the Service Employees International Union, and the League of Minnesota Cities. One of the Council's findings is that the state Joint Powers Act needs changing to make more collaboration possible. The council continues its work throughout the year.

\* **Proposal for a state strategic plan** —Responding to a question about whether the state needs a strategic plan or vision, McFarlane said the Minnesota Association of Certified Public Accountants

(MACPA) has just made such a proposal. See <http://bit.ly/hyH9x9>. McFarlane said she favors the development of a strategic plan and has a meeting scheduled with the MACPA. She wants to include State Demographer, Tom Gillaspay in future conversations.

\* **Leadership on outcome-based services from Beltrami County** —McFarlane suggested that the Civic Caucus meet with Tony Murphy, administrator, Beltrami County. Beltrami County is a poor county, but Murphy has come up with a model for performance-based services. The plan provides better service at lower cost. See: <http://bit.ly/fEINzZ> .

\* **Government redesign proposals submitted to the House Redesign Caucus** —McFarlane distributed a summary of 12 redesign proposals that were submitted to the House Redesign Caucus in January.

1) **Commission on Service Innovation (CSI)**— CSI was created in 2010 through legislation sponsored by Rep. Keith Downey and Sen. Terri Bonoff. The Commission has made several recommendations, including an enterprise for state and local government entities to share or consolidate services. See: <http://bit.ly/e3mqrn> .

2) **Doblin Group consultants**—Larry Keeley, a co-founder of the Doblin Group, met with legislators at a policy conference in January. Keeley suggested it is the Legislature's job to set the conditions for innovation. See: <http://buswk.co/2PqcsT> .

3) **Itasca project**—A Minneapolis-based alliance of private, public and non-profit leaders issued a report on challenges and opportunities for job growth in the metro area. See: <http://bit.ly/cT5ikG> .

4) **Steve Rothschild on "human capital bonds"** —Rothschild's proposal is a new way to invest in social programming and improve outcomes for providers, recipients and the state. See: <http://bit.ly/i9tzCY> .

5) **Sensible Tax and Fiscal Systems**—In November 2010 the group submitted proposals for reform of state and local tax systems. See: <http://www.sensibletax.org/>

6) **National Association of State Budget Officers (NASBO)** —A presentation on the need for rethinking state government, including strategies to contain health care expenses. See: <http://bit.ly/3m2xjp>

7) **Jack Swanson, Roseau County Board** —Swanson, a member of the Collaborative Governance Council, offered several suggestions on taxes and on county government.

8) **Public Strategies Group (PSG)**—PSG offered a proposal focused on empowering individuals with disabilities.

9) **State Rep. Denise Dittrich** —Dittrich introduced a proposal for more consistent oversight of the Permanent School Trust Fund lands.

10) **Lutheran Social Service (LSS)**—LSS submitted a plan to transform opportunities for people with disabilities. See: <http://bit.ly/fukpLj> .

11) **Teacher preparation redesign**—The Bush Foundation proposes redesign of the way teachers are recruited, prepared, placed and supported. See: <http://bit.ly/etLjf0> .

12) **Minnesota's "Bottom line"** - The following foundations have prepared a updated comprehensive report on redesign: Blandin Foundation, Bush Foundation, Minneapolis Foundation, Minnesota Community Foundation, Northwest Area Foundation, The Saint Paul Foundation, and Public Strategies Group (PSG). Highlights include:

—Shift focus to health and prevention, not sickness and care.

—Integrate human services delivery.

—Reduce tax expenditures, i.e. mortgage interest deduction.

—Reform Medical Assistance.

—Replace mandates on local government with greater flexibility tied to accountability.

—Shift resources from prisons to community interventions.

\* **Relating the discussion on redesign to the overall budget question**— McFarlane is unsure how redesign relates to the overall budget question in the short term because so much of the budget discussion is taking place behind the scenes. She wishes to take a "bigger picture" look at the effects of redesign for the years to come. McFarlane is impressed with the number of interest groups that have come to her supporting redesign. She cited comments by Tom Gillaspay, State Demographer, who has called for significant restructuring in light of demographic realities.

\* **Restructuring of local government here, as in Denmark?** —McFarlane was asked whether local government restructuring as succeeded in Denmark would work here. The nation was divided into regions with all local governments in each region responsible for developing a new structure for themselves, rather than having a new structure imposed from above. She said that would be a great idea to explore.

\* **Whether state and local employees should be looked to more for redesign ideas** —McFarlane replied that she knows of at least one instance where a public employee felt muzzled. During discussion a member suggested that leadership at the top is more urgent than encouraging individual employees to come up with redesign ideas. McFarlane feels a combination of

Involvement from leadership and employees would be favored.

\* **Importance of collaboration** —Returning to the matter of collaboration among different types of units of government and agencies, McFarlane cited a positive experience in which she recently brought cities, counties, organizations, the Metropolitan Council, and state agencies together to discuss what to do about the level of White Bear Lake. Many participants said they were very thankful for the opportunity to meet since there are not many opportunities for such collaboration.

\* **Decide on an approach now to achieve redesign action in May**— Members suggested that McFarlane might be well advised to set a priority for redesign now and work on one high priority item

for achieving success in May. Another member suggested that an omnibus bill on redesign would help focus attention on the issue. McFarlane suggested that the bi-partisan House Redesign Caucus has this as their goal.

\* **Support for Civic Caucus statement on vision and redesign** —McFarlane said she agrees wholeheartedly with a Civic Caucus draft statement on vision and redesign that currently is being circulated for comments and suggestions.

\* **How redesign fits in overall House committee structure** —In addition to the Bi-partisan Redesign Caucus, McFarlane said that the regular committees have members that are designated to work on redesign and reform in their respective areas. For instance, McFarlane is working on reform in education.

\* **Building relationship bridges among interest groups** —Making reference to sharp differences in Wisconsin between unions, on one side, and the Governor and legislative leadership on the other, McFarlane indicated that she has reached out to the AFL-CIO and other unions in Minnesota to seek areas where they can work together on redesign.

\* **Thanks**—On behalf of the Civic Caucus, Verne thanked McFarlane for meeting with us today.