



State Representative Paul Thissen

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

April 1, 2011

Present : Verne Johnson (chair), Janis Clay, Paul Gilje, Sallie Kemper, Tim McDonald

Phone : David Broden

Summary of meeting : *The minority leader of the Minnesota House of Representatives discusses short term and long term challenges and opportunities facing the state. He describes challenges with the current-year budget, and discrepancies between Republican and state estimates for costs and revenues associated with legislation. The speaker also highlights education as an area of opportunity for reform, and recognizes the potential value of continuing informal, bi-partisan meetings during the interim period in order to work on ideas for redesign that are brought-in from the executive branch, and from outside government.*

A. Welcome and introductions - Paul Thissen is a member of the Minnesota House of Representatives and minority leader, representing an area including south Minneapolis and Richfield. He has served since 2002, and from 2007-2010 chaired the Health and Human Services committee.

He ran for governor in 2010 and came in third for the Democratic party's endorsement. He is a graduate of the Academy of Holy Angels in Richfield, Harvard College, and the University of Chicago Law school.

B. Comments and discussion -

Representative Thissen thanked the group for having him in to visit, saying he is a regular reader of the notes.

There needs to be agreement on the numbers

We're right in the middle of the budget bills—at least the first round—and if you look at what's happening there are fairly substantial levels of cuts. But also, there are big holes in the bills.

Before we can move ahead we have to know what targets we're dealing with. There are good and bad effects of raising revenue, and good and bad effects of cuts. It also matters what happens out of the capitol, because people are moved by their constituents.

I don't know how it will end. The governor said it right—we're at two ends of the football field.

"We can't have a good discussion about where to lead the state because we're not having a discussion on the facts," he said, referencing the controversy surrounding the Republican leadership's action to move budget bills ahead missing some fiscal notes.

The \$1 billion of the \$5 billion budget shortfall that Thissen feels they're misjudging in their numbers "is not going to materialize."

The Republicans are in a trap they don't need to be in

"The Republicans ran on the idea that the structural budget deficit could be addressed only on cuts. They're the ones more than anyone else saying we don't need any new money. They're stuck with the rhetoric they campaigned on, and are adhering to the Tea Party portion of their caucus. They're in a trap."

A participant asked Thissen if he feels in a trap himself with the Governor, who campaigned on a strategy of tax increases. "I don't think so. We've said all along we need some cuts, and he's on with that. We're not all the way probably to the governor's level on the need to raise taxes."

"The structural deficit is not driven on the margins, it's really driven by the demographic wave. Efficiency and cuts are not enough. So there needs to be what has come to be called 'redesign.'

Proposals for redesign require preparation

Republicans have talked a lot about reforms this session. The reality is that if proposals are not ready reforms take time to prepare.

I carried the bill that moves toward a county redesign. I don't think we should impose it from the top down. The principle is that instead of the state imposing how things should be done, we should just say let's figure out what our top line goals are.

In response to a question about the budget challenges compelling redesign, Thissen commented that while Rahm Emanuel has become famous for saying that a crisis is a terrible thing to waste, "The reality is the reverse."

Right now he said the legislature is in such a crisis mode that substantial changes have trouble commanding attention. "It needs to happen at a time when we are not up against the wall." There may not be the pressures to do it at other times, he said, but the legislature can't be doing the thinking right now. They may act but the work needs to be done other times.

"Minnesota has interest in innovation and reform. If you think about welfare in the mid-90's, or Minnesota Care, or the Minnesota Miracle, these were done before crises hit."

Ideas from outside government, and politicians to move them

When asked where ideas for reform should come from, Thissen said that an active civic sector is well-positioned to most frequently come up with major reform ideas, as well as professionals inside government on the front lines performing work. "The county-payment redesign idea came directly from county administrators that wanted to be paid for outcomes instead of process, and the

Governor's task forces on mental health and health care reform had recommendations for changes that gained traction."

He noted that many ideas come from people in their every day lives. Even so, "You have to understand this is a political process. That's what we're here for."

A participant asked how to help keep the legislature receptive to structural reforms as a class of reforms, separate from their ideological characteristics?

"It would be good to have an environment where legislators can have these discussions, but it's challenging. Legislators are not the best people to do that front line work. What legislators are best at are moving things that need to be made into law.

"A lot of good discussion has happened in education and in health care. I'd say the depth of knowledge around the legislature in health care issues has grown exponentially. This is a citizen legislature-got to educate people at a very deep level."

The legislature is not well positioned to establish a vision

A participant asked Thissen whether he believes the legislature needs to declare a vision for the state, since there hasn't been one to come out of the governor's early messages.

"I think we do have one," he responded. "I'd say the governor sent a macro message-fairness, building the middle class, wanting to get people back to work-and will give others."

Visions do not usually come from the legislature, he followed, because they are not set up to do that. It's driven by the executive branch and by the agencies.

The biggest reform for education would be to cultivate plurality

"I have three children. It's very obvious that they all learn in very different ways-come to the table with different skills and understanding. The biggest reform we can do is meet each student where they are, and use technology or choice where possible.

"It's a different model from the 50's and 60's where we did warehouse kids. We need to move away from this idea where education is industrial and warehousing."

Devolve authority to the front lines-even though this can be disconcerting

One of the issues raised by Tony Murphy in his recent conversation with the Civic Caucus was that special interests prefer for the parameters of the game to stay the way they are-keep the rules the same-and argue within those.

"It's the time of change that's scary." Once the state transitions to an outcomes-based system for county governance and there are mechanisms in place-to have the state be a place where people are held accountable-people will adjust to the new climate.

The potential is so significant, he said, in enabling those on the front lines to rethink things, that the risk seems to be reasonable.

Could this way of thinking of localizing control be applied to education? "I hadn't thought of it that way. The big mandate that people would complain about is testing-maybe the conversation we should have in education is the same thing we're having in health care: Judge people based on varied performance measures, and let consumers decide.

Should we rethink how we assess progress and hold people accountable? "Maybe."

Work on redesign during the interim

A participant said: I hope in the process of this session we come up with something longer term. I hope as you work with the governor you stress that this state can be the state it was, but requires leadership. If we can get that kind of leadership working in the session, it could carry into the interim.

"I do think the governor is thinking at the agency level how it can deliver services better. I think of human services because I was chair of that committee for four years. Health care is a place where we can do system change."

What specific areas of inquiry should the legislature look at for this interim?

The speaker listed off: "Education funding formula; sex offender population; welfare and economic development (joblessness); rural economic development; the last thing I'd think about: is Minnesota the right jurisdiction to be doing things, or should we look regionally?"

C. Closing -

To close a participant asked the speaker how he was finding his new job, both as a leader and as a leader of a party in the minority. "I'm new to this job as we all are this year, and I guess finding the right place between the political job and the policy job is difficult."

A participant said that he is curious about the way the word 'reform' is being used. "It seems things are upside down. The Conservatives are talking about reform, and casting the Liberals as wanting to maintain the status quo."

The word reform has been used over time by both sides of the isle, Thissen replied. This year is a snapshot in time, because the conservatives are in charge. But really it has been used by everybody.

"That's why I think you have to get inside the agencies to get it done. Or the foundations or civic groups." Get more ideas that politicians can work with.

Thanks again to everyone for the visit.