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Protecting Minnesota's climate requires meaningful policy leadership

by Sen. Ellen Anderson

Global climate change is the single greatest environmental threat to our economy and environment. Citizens are demanding that elected leaders at all levels of government address this urgent problem with policy leadership in implementing climate protection solutions.

Scientists agree that human-caused emissions of greenhouse gases are accelerating the natural greenhouse effect. The United Nations Intergovernmental Panel on Climate Change projects that global average temperatures will rise between 2.5 and 10.4 degrees Fahrenheit this century, given current emissions estimates. By analogy, this rate of increase in temperatures is about 100 times faster than the rise in temperatures after the peak of the last Ice Age. Scientists in many disciplines are concerned that natural ecosystems and systems managed by humans may not be able to adapt to such unprecedented changes in climate. The results of a research study published in the journal *Nature* (*Extinction Risk From Climate Change*, Jan. 8, 2004), determined that global warming at currently predicted rates will drive between 15 and 37 percent of species extinct by mid-century. The researchers called for "rapid implementation of technologies to reduce emissions of greenhouse gases."

"The midrange estimate is that 24 percent of plants and animals will be committed to extinction by 2050," ecologist Chris Thomas of Britain's University of Leeds said in the *Washington Post* (*Warming May Threaten 37% of Species by 2050*, Jan. 8, 2004.) "We're not talking about the occasional extinction—we're talking about 1.25 million species. It's a massive number."

In a report revealing the extent to which climate change is rising on the economic agenda, the re-insurance giant Swiss Re said that the economic costs of global warming may double to $150 billion a year worldwide within 10 years, hitting insurers with claims of between $30 and $40 billion—roughly equivalent to the claims from the World Trade Center attack—each year.

Numerous scientific reports and scientific bodies focusing on global warming call for reductions in greenhouse gas emissions to reduce the risks of rapid climate change. Most recently, the American Geophysical Union, a body comprised of about 41,000 scientists worldwide, adopted a consensus position on the human impacts on climate that states:

"Atmospheric carbon dioxide concentrations have increased since the mid-1700s through fossil fuel burning and changes in land use, with more than 80 percent of this increase occurring since 1900. Moreover, research indicates that increased levels of carbon dioxide will remain in the atmosphere for hundreds to thousands of years. It is virtually certain that increasing atmospheric concentrations of carbon dioxide and other greenhouse gases will cause global surface climate to be warmer. … The unprecedented increases in greenhouse gas concentrations, together with other human influences on climate over the past century and those anticipated for the future, constitute a real basis for concern."

Local government leaders *are* concerned about climate change, as evidenced by the 2003 U.S. Mayors' Statement on Global Warming (**www.iclei.org/us/mayors_statement/statement.pdf**). The mayors of Apple Valley, Burnsville, Dayton, Duluth, Mankato, Minneapolis, Minnetonka, Morris, Rochester, and Virginia joined with

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leaders in 155 other U.S. cities in urging federal policy action on this critical issue. The letter states: "Global warming poses significant threats to communities across the country. We are already feeling impacts in the form of heat waves, shrinking water supplies and snow pack, increased rates of asthma, floods and storms, and coastal erosion." According to the statement, elected leaders in cities and towns across America are hearing a mandate from citizens to take action to reduce greenhouse gas emissions. For local leaders, the projected increase in extreme storm events and flooding poses a risk of enormous and expensive damages to property and infrastructure in their communities.

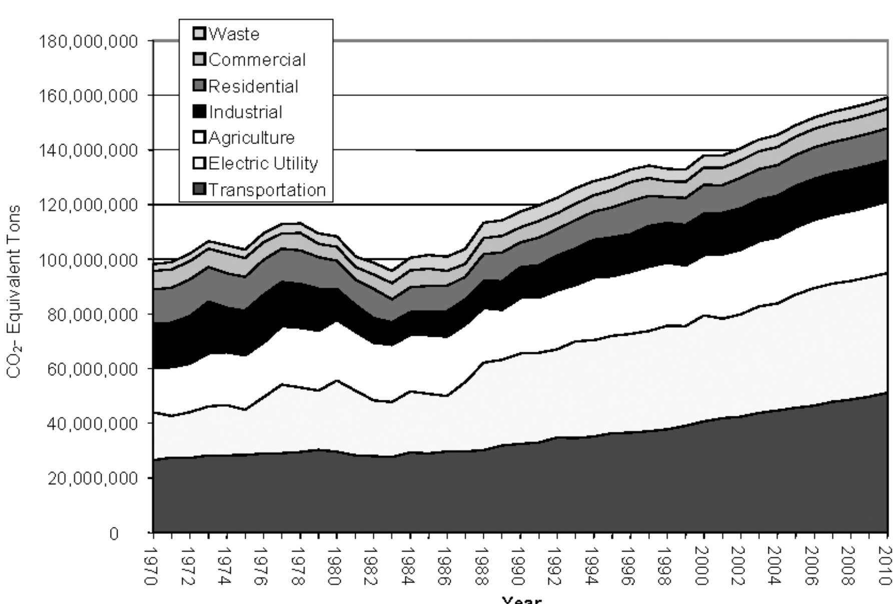
The impacts on Minnesota's environment of unchecked climate change would be severe, and irreversible. In 2003, the Ecological Society of America and the Union of Concerned Scientists released the report, "Confronting Climate Change in the Great Lakes: Impacts on Our Communities and Ecosystems," which uses mainstream climate models to forecast that, under business-as-usual conditions, Minnesota's climate could become more like the present climate of Kansas within 80 years. The huge change in temperature and precipitation patterns that this entails would increase air pollution and exacerbate the health problems caused by that pollution, lead to the death of the spruce-fir forests of the Boundary Waters, and reduce water availability for Minnesota agriculture. The report and extensive supporting documents can be accessed at **www.ucsusa.org/greatlakes**.

The science tells us that we are unwittingly creating a new climate, and one that will cause Minnesota's resources to be changed for the worse. The leadership role in this is to work with a broad group of Minnesotans to craft a plan to minimize the worst impacts of climate change by shifting to clean energy technologies that will allow us to scale back our emissions and avoid the worst predictions.

The world is not waiting for a U.S. alternative to the Kyoto Protocol. Many nations are adopting policy measures to shift their economies to reduce reliance on fossil fuels and reduce economic risks.

The only significant policy activity in the United States to date has been at the state level. The 10-state Northeastern region began setting emissions reductions targets in 2001, and is putting into place strategies to achieve those targets. In 2003, the governors of Washington, Oregon, and California announced their intention to work together on the problem.

Historic and Forecasted Greenhouse Gas Emissions from Minnesota



Source: Minnesota Pollution Control Agency

In Minnesota, the state's most recent publication on climate change was the February 2003 Minnesota Pollution Control Agency report, "Minnesota Climate Action Plan: A Framework for Climate Change Action." Although the MPCA report is clearly a *framework* for possible future action rather than a *plan* for taking action, it documents the rapid growth in greenhouse gas emissions (see chart), which in Minnesota are rising faster than the national rate of increase. The MPCA report recommends a two-part action strategy for Minnesota; first, a short-term strategy focused on "no-regrets" actions that would improve the efficiency of our use of energy and materials, and second, a longer-term effort to slowly wean the economy from dependence on fossil fuels and their associated greenhouse gas emissions.

That is why I have introduced a climate protection bill (S.F. 2580, with House companion H.F. 2656). The bill takes the next logical step in protecting Minnesota's economy and environment by directing the Commissioner of Commerce, working with other state agencies, to develop a plan for reducing greenhouse gas emissions using cost-effective strategies that slowly wean our state from its notable dependence on fossil fuels and the climate-changing emissions they produce. Getting serious about protecting our climate will create new markets for clean energy technologies. For example, policies that encourage carbon storage to offset emissions would help create markets for farmers who can store carbon in the soil, as is possible through no-till agriculture.

With such high risks to our economy and natural resources, Minnesota needs to plan now to minimize the damages by reducing greenhouse gas emissions. **MJ**

Sen. Ellen Anderson (DFL-St. Paul) chairs the Jobs, Energy, and Community Development Committee. She can be reached at (651) 296-5537.

Viewpoint

A year ago...a generation to go

by Sean Kershaw

It's been a year since I started this job. Following the League's *Doing the Common Good Better* report, and in the midst of the most fundamental policy opportunities in a generation, what can I offer to mark this "occasion"—other than my sincere thanks to our members and the Board? Four thoughts:

A prediction: the end of extremism

Hyperbole has a way of eventually defeating itself. It is a fact that our political and policy leadership has become more polarized. This creates a richness of ideas and debate, but makes compromise and action more difficult.

This extremism has drawn new people in to the political process. Many more have left. While foxholes breed religious converts, I predict our policy crises will breed more moderate wisdom and new leadership.

The extreme right tends to have ideological answers in search of problems. The extreme left has ancient solutions in search of a modern justification. Both dominate the discussion, but both fail when it comes down to what works. An over abundance of ideologically preordained policy recommendations from both sides of the spectrum, hyperbolic media comments, and an unwillingness to go along with anything outside of the ideological orthodoxy, have created a great opportunity for the League—and for a renewed approach to policy-making.

The basis for this opportunity is a desperate need for better analysis—truth!—and a need to reinvent the democratic process. This reinvention must be based on the civic values and standards the League was founded on, and include new opportunities to practice democracy and become an active citizen.

A fact: a surplus of citizens

In a democracy, citizens are the producers of our commonwealth—not consumers. We could waste energy worrying about citizens that are happy doing nothing, passively benefiting from the work of others. Or we could focus on the fact that the supply of citizens who want to become more engaged in civic life far exceeds the demand—and the expectation—from most of our civic institutions.

Too often in our schools, in our businesses, in our congregations, and (unfortunately) in our civic nonprofits, citizens are seen as clients and consumers, political chattel to be either entertained or mobilized. This is a waste. When given the opportunity to help renew these institutions, citizens exceed expectations and inspire better results (and inspire me!). They are producers of governance, service to the community, and the source of great ideas that make this a great place to live. This realization must be a moral imperative for democratic institutions, and a wake-up call for leadership.

A problem: intransigent institutions

We may not get what we need from these nonprofits, schools, businesses, etc. until we change what we have.

We're learning from the crisis in the Minneapolis schools that sometimes no amount of truth-telling and courage (no matter how sloppy the process) will make an old system change its ways. The upcoming Itasca Project's recommendations, and many of our own, will test the ability of our institutions to change and reinvent themselves.

The question is not "do we have the right vision, and the right answers?" We will. The key question will be: can systems and institutions act on that vision? It isn't sufficient to improve "the message" on these issues, and it's usually not the money either. It's the means. The institutions and systems we depend on for a healthy civic society are desperately in need of an overhaul. Fix them; then fund them.

A hope: new leadership

It's time to welcome and support the leaders that have the energy and courage to create what is needed for our times: new schools that build future citizens; businesses that create private wealth and commonwealth; churches that are about public faith and justice, not private therapy and intolerance; and non-profits that put achieving the common good before preserving the status quo.

Talk to anyone over age 70. Following WWII, a new generation of leaders responded to the horrors of totalitarianism by creating a wide range of institutions (including the League) to achieve the goals and dreams of a democratic republic. We should do no less as individuals, and expect no less as a society.

I'll close here with the Daniel Webster quote we used to conclude the *Doing the Common Good* report, and which appears in our own State Capitol: "Let us develop the resources of our land, call forth its powers, build up its institutions, promote all its great interests, and see whether we also, in our day and generation, may not perform something worthy to be remembered." **MJ**

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A new look at fiscal disparities: Is it subsidizing development that counters regional planning?

by Bob Deboer

After three decades of regional tax base sharing through the fiscal disparities program, the Twin Cities area is full of economically strong suburban cities with diverse tax bases. But where is the tax base from developing suburbs going? Does it support regional planning? Or is Minnesota's landmark tax-base sharing program now supporting a form of development that could be much more expensive to serve and maintain in the future?

Since the Citizens League report in 1969 that led to the State Legislature's passage of fiscal disparities law in 1971, and its implementation in 1975, the Citizens League has monitored its impact. As tax base is distributed for the 30th year in 2004, it would be difficult to find any other government program or policy that has stood the test of time with little if any change, as has fiscal disparities. The entire region is a "winner" in the strong regional economy that fiscal disparities undoubtedly helped to create. (For this year's "net gainers" and "net contributors" see pages 5-6.)

Under the fiscal disparities law, cities and towns in the metro area are required to contribute 40 percent of the growth in commercial industrial tax base to a region-wide fiscal disparities pool. The tax base is then redistributed according to a formula that takes into account a community's population and the total market value of its property. The intent of the law is two-fold:

▲ To improve equity in the distribution of fiscal resources between communities

▲ To promote regional planning objectives

Without question, equity of fiscal resources has been improved throughout the metropolitan area, but how effectively does fiscal disparities promote regional planning?

The pattern of growth that has made tax-base sharing such a success is changing. As the developing ring of suburbs strengthens its commercial-industrial (C/I) tax base, the sharing of that tax base may no longer flow to communities that will one day be contributors to the tax base pool through development of C/I property. That's because many of the communities on the edge of the Metropolitan Area are not planning urban residential and C/I development, but are instead serving the demand for rural residential housing.

In one way, that is exactly how fiscal disparities has supported regional planning. By sharing tax base from C/I property throughout the region, not every community has needed to develop a high level of C/I tax base. Tax-base sharing has also supported communities that preserved less developed areas for the good of the region, such as parks, nature reserves and wetlands that recharge our groundwater.

However, a new analysis by the Citizens League reveals that in 2004 more than $9.4 million in tax base will be distributed to communities that either have developed, are developing, or could develop in ways that do not support regional planning because of the demand for a rural residential lifestyle.

Tax base distribution to non-agricultural rural areas has the most potential for concern in terms of regional planning. In its 2030 Regional Framework, the Metropolitan Council describes rural residential development as "one unit for every 2 to 2 1/2 acres or less, with no plans to provide urban infrastructure such as centralized wastewater treatment." The council cautions that "Additional development of this type will increase the potential for damage to the environment from many individual sewage treatment systems located close together, and will preclude providing urban infrastructure in efficient ways. It [rural residential development] should be limited to infill or carefully considered expansion only within boundaries of communities where it already exists."

(For information on the basics and the history of fiscal disparities, the metropolitan area tax-base sharing plan, visit the Citizens League website at **www.citizensleague.net**.)

Table 1 is based on the Met Council's composite of the comprehensive plans from cities and towns in the seven-county area. The groupings based on this map have three major determinants:

▲ Whether the community is inside or outside the Met Council's 2020 Metropolitan Urban Service Area (MUSA).

▲ Whether the community is designated as permanent agricultural.

Table 1: Fiscal disparities participants grouped by comprehensive plan

	2002 Population	Net (loss) or gain due to sharing ($)	% Change in tax base due to sharing	Net (loss) or gain per capita ($)
Inside 2020 MUSA*	2,412,520	-$12,397,884	-0.54%	-$5
Rural Centers	29,874	$2,239,418	10.24%	$75
2040 Urban Reserve Bordering 2020 MUSA	9,620	$207,386	2.37%	$22
Permanent Agriculture	22,106	$524,456	2.39%	$24
Outside 2020 MUSA, Non-Agricultural, Rural**	229,927	$9,408,960	4.13%	$41

* = cities and towns with portions outside MUSA included if outside portion is mainly designated "Permanent Agriculture" or "Urban Reserve."

** = cities and towns with portions inside MUSA are included if significant remaining area is designated "Rural Residential" or "Permanent Rural"

Table 2: Fiscal disparities participants grouped by Met Council 2030 Framework Planning Areas

	2002 Population	Net (loss) or gain due to sharing ($)	% Change in tax base due to sharing	Net (loss) or gain per capita ($)
Developed Areas	1,677,034	$701,413	0.05%	$0.42
Developing Areas	769,331	-$11,430,810	-1.44%	-$15
Rural Centers	28,880	$2,497,329	12.41%	$86
Agricultural Areas	24,579	$550,836	2.25%	$22
Diversified Rural & Rural Residential	203,432	$7,697,626	3.67%	$38

Fiscal disparities *from page 4*

▲ Whether the community plans for significant remaining land to develop as rural residential or permanent rural (non-agricultural).

The 2020 MUSA is where the Met Council is best positioned to provide services efficiently and, therefore, less expensively for the rapid population increase that will occur over the next 15-25 years in the seven-county area. The transfer of tax base to rural residential areas will potentially assist development that could ultimately be much more expensive to serve or maintain. These communities are already home to more than 200,000 people and how they grow could have a profound impact on the region.

In some cases, development that does not support regional planning has already substantially occurred. For example, the city of Andover has already filled much of its northern area with residential rural development while gaining millions in tax base through fiscal disparities. Future distributions will most likely support development of the southern half of the city, which is inside the 2020 MUSA, and would be supported with an urban water and sewer system. Future development in Andover, therefore, will probably be supportive of regional development.

As shown in Table 1 and stated in the Met Council's 2030 Framework, the rural centers, such as Belle Plaine, New Market, Watertown, and Norwood Young America, offer the opportunity to take advantage of existing infrastructure as population increases and provide municipal services as an alternative to individual wells and septic systems. The tax-base distribution to the rural centers of $2.2 million, therefore, shows the continuing effectiveness of fiscal disparities, unlike the tax base distribution to rural residential development. Likewise, the small distribution of tax base to the permanent agricultural areas of $524,000 is supportive of maintaining areas that, if developed, can be developed efficiently.

But there are several other areas where local comprehensive plans allow rural residential development and some places where it is substantially occurring (see the Met Council's Comprehensive Plans Composite map). Policymakers must take a closer look and decide if fiscal disparities should continue to support this kind of development.

A similar analysis of fiscal disparities groupings, based on the Met Council's map

Fiscal disparities continued on page 7

2004 tax base sharing at a glance

Top 5 net gainers by percent of tax base

Columbia Heights	17.8%
Robbinsdale	16.6%
South St. Paul	16.5%
East Bethel	14.4%
North St. Paul	12.5%

Top 5 net contributors by percent of tax base

Bloomington	-12.5%
Arden Hills	-12.0%
Minnetonka	-10.1%
Roseville	-10.1%
Golden Valley	-9.4%

Top 5 net gainers per capita

Columbia Heights	$101
South St. Paul	$101
Robbinsdale	$99
East Bethel	$90
Andover	$80

Top 5 net contributors per capita

Bloomington	-$174
Minnetonka	-$153
Arden Hills	-$146
Golden Valley	-$143
Eden Prairie	-$138

Top 5 net gainers

St. Paul	$19,811,025
Minneapolis	$3,786,028
Andover	$2,295,187
South St. Paul	$2,049,649
Coon Rapids	$1,990,101

Top 5 net contributors

Bloomington	-$14,866,138
Eden Prairie	-$7,892,425
Minnetonka	-$7,865,746
Plymouth	-$6,965,894
Edina	-$5,743,008

Top 5 in C/I tax base before sharing per capita

Bloomington	$677
Golden Valley	$673
Roseville	$647
Arden Hills	$621
Minnetonka	$543

Bottom 5 in C/I tax base before sharing per capita

East Bethel	$43
Andover	$61
Prior Lake	$72
Mound	$78
Robbinsdale	$89

Top 5 in C/I tax base after sharing per capita

Golden Valley	$529
Roseville	$517
Bloomington	$503
Arden Hills	$475
Fridley	$431

Bottom 5 in C/I tax base after sharing per capita

Prior Lake	$126
East Bethel	$133
Mound	$133
Andover	$141
Farmington	$169

SOURCE: Minnesota House Research Department

2004 Twin Cities tax base sharing by counties

County	2002 Pop.	Total tax base before sharing ($)	C/I tax base before sharing ($)	Fiscal disparities contribution	Fiscal disparities distribution	Net (loss) or gain due to sharing ($)	% change in tax base due to sharing	% change in C/I tax base due to sharing	% C/I tax base per capita before sharing	C/I tax base per capita after sharing	Net gain or (loss) of tax base per capita
Anoka County	308,171	236,727,207	59,379,020	19,853,690	32,620,072	12,766,382	5.4%	21.5%	$193	$299	$41
Carver County	75,312	72,717,171	14,311,801	3,986,510	6,132,474	2,145,964	3.0%	15.0%	$190	$271	$28
Dakota County	369,593	343,882,528	88,863,279	30,769,637	34,121,362	3,351,725	1.0%	3.8%	$240	$333	$9
Hennepin County	1,130,880	1,214,081,780	418,263,312	136,151,169	97,770,765	-38,380,404	-3.2%	-9.2%	$370	$456	-$34
Ramsey County	514,748	400,029,502	138,892,295	41,259,975	56,189,168	14,929,193	3.7%	10.7%	$270	$379	$29
Scott County	99,488	96,113,746	19,354,464	6,536,479	7,782,579	1,246,100	1.3%	6.4%	$195	$273	$13
Washington County	210,724	205,127,982	41,791,129	13,680,466	17,621,506	3,941,040	1.9%	9.4%	$198	$282	$19
2004 Total	2,708,916	2,568,679,916	780,855,300	252,237,926							
2003 Total	2,674,838	2,337,119,365	757,312,607	231,716,100							
Difference	34,078	231,560,551	23,542,693	20,521,826							
% Difference	1.3%	9.9%	3.1%	8.9%							

SOURCE: Minnesota House Research Department

2004 Twin Cities tax base sharing for cities with populations above 9,000

City	Total tax base before sharing ($)	C/I tax base before sharing ($)	Net (loss) or gain due to sharing ($)	%Change in tax base due to sharing	% Change in C/I tax base due to sharing	C/I tax base per capita before sharing	C/I tax base per capita after sharing
ANOKA COUNTY							
Andover	20,561,438	1,755,217	2,295,187	11.16%	130.76%	$61	$141
Anoka	12,835,667	4,322,279	704,483	5.49%	16.30%	$239	$277
Blaine	39,648,912	12,326,551	858,132	2.16%	6.96%	$257	$275
Columbia Heights	10,622,204	1,811,917	1,887,893	17.77%	104.19%	$97	$198
Coon Rapids	46,979,769	14,126,862	1,990,101	4.24%	14.09%	$227	$259
East Bethel	6,996,937	479,656	1,006,190	14.38%	209.77%	$43	$133
Fridley	27,340,402	13,413,455	-1,588,687	-5.81%	-11.84%	$488	$431
Ham Lake	11,834,074	1,839,497	507,174	4.29%	27.57%	$136	$173
Lino Lakes	14,498,545	2,239,896	1,028,821	7.10%	45.93%	$125	$182
Ramsey	15,646,190	3,523,205	567,838	3.63%	16.12%	$187	$217
CARVER COUNTY							
Chanhassen	25,932,593	6,262,986	17,056	0.07%	0.27%	$293	$294
Chaska	17,782,230	5,787,482	-280,039	-1.57%	-4.84%	$305	$290
DAKOTA COUNTY							
Apple Valley	41,601,716	7,736,589	1,645,490	3.96%	21.27%	$162	$196
Burnsville	59,284,897	21,430,214	-1,899,797	-3.20%	-8.87%	$352	$321
Eagan	71,374,862	25,291,564	-4,003,596	-5.61%	-15.83%	$391	$329
Farmington	11,362,496	1,356,880	1,045,092	9.20%	77.02%	$95	$169
Hastings	13,787,357	2,773,269	1,479,335	10.73%	53.34%	$144	$221
Inver Grove Heights	26,863,703	6,138,750	730,877	2.72%	11.91%	$200	$224
Lakeville	41,191,330	7,283,025	1,846,575	4.48%	25.35%	$157	$197
Mendota Heights	16,367,646	4,896,781	-1,154,335	-7.05%	-23.57%	$422	$323
Rosemount	15,748,862	4,024,813	59,782	0.38%	1.49%	$250	$254
South St. Paul	12,413,215	2,720,312	2,049,649	16.51%	75.35%	$134	$235
West St. Paul	14,588,943	3,513,126	969,880	6.65%	27.61%	$179	$228
HENNEPIN COUNTY							
Bloomington	118,770,947	57,851,209	-14,866,138	-12.52%	-25.70%	$677	$503
Brooklyn Center	20,635,829	8,062,513	1,097,596	5.32%	13.61%	$276	$314
Brooklyn Park	51,476,265	15,576,691	1,944,485	3.78%	12.48%	$227	$255
Champlin	16,612,503	2,515,353	1,471,237	8.86%	58.49%	$111	$176
Crystal	14,748,418	2,608,442	1,816,231	12.31%	69.63%	$114	$194
Eden Prairie	87,033,457	29,402,260	-7,892,425	-9.07%	-26.84%	$516	$377
Edina	83,469,190	24,167,399	-5,743,008	-6.88%	-23.76%	$508	$387
Golden Valley	31,482,923	13,878,559	-2,955,457	-9.39%	-21.30%	$673	$529
Hopkins	15,018,077	5,356,726	230,956	1.54%	4.31%	$305	$318
Maple Grove	61,123,109	18,129,748	-2,161,460	-3.54%	-11.92%	$336	$296
Minneapolis	310,653,817	123,812,498	3,786,028	1.22%	3.06%	$324	$333
Minnetonka	77,694,890	27,920,367	-7,865,746	-10.12%	-28.17%	$543	$390
Mound	8,581,524	735,546	525,798	6.13%	71.48%	$78	$133
New Hope	16,264,192	5,496,940	469,224	2.89%	8.54%	$263	$285
Plymouth	87,596,805	29,441,746	-6,965,894	-7.95%	-23.66%	$434	$331
Richfield	27,646,294	7,936,315	1,489,634	5.39%	18.77%	$230	$273
Robbinsdale	8,416,404	1,249,793	1,397,235	16.60%	111.80%	$89	$188
St. Louis Park	47,570,700	17,247,427	-1,349,096	-2.84%	-7.82%	$385	$355
RAMSEY COUNTY							
Arden Hills	11,784,935	6,001,486	-1,408,482	-11.95%	-23.47%	$621	$475
Little Canada	8,343,669	2,945,197	-31,936	-0.38%	-1.08%	$300	$297
Maplewood	36,142,183	15,440,035	-1,632,600	-4.52%	-10.57%	$434	$388
Mounds View	8,519,020	2,794,535	561,710	6.59%	20.10%	$218	$262
New Brighton	18,123,691	4,760,843	547,079	3.02%	11.49%	$214	$238
North St. Paul	7,526,276	1,420,073	938,561	12.47%	66.09%	$119	$197
Roseville	44,091,280	22,057,898	-4,429,456	-10.05%	-20.08%	$647	$517
Shoreview	25,590,972	5,730,495	255,429	1.00%	4.46%	$216	$226
St. Paul	177,391,442	61,801,699	19,811,025	11.17%	32.06%	$215	$283
Vadnais Heights	13,832,064	5,009,585	-733,528	-5.30%	-14.64%	$378	$323
White Bear Lake	19,988,426	5,086,830	736,276	3.68%	14.47%	$205	$234
White Bear township	11,360,611	2,469,190	75,432	0.66%	3.05%	$215	$221
SCOTT COUNTY							
Prior Lake	15,946,281	1,229,038	941,010	5.90%	76.56%	$72	$126
Savage	20,183,153	3,532,510	933,332	4.62%	26.42%	$152	$192
Shakopee	28,451,662	11,440,948	-2,121,170	-7.46%	-18.54%	$479	$390
WASHINGTON COUNTY							
Cottage Grove	21,445,239	3,877,624	1,805,017	8.42%	46.55%	$125	$183
Forest Lake	14,627,759	3,424,517	73,695	0.50%	2.15%	$227	$232
Oakdale	21,516,189	5,568,460	888,354	4.13%	15.95%	$202	$235
Stillwater	16,029,480	4,182,641	-183,191	-1.14%	-4.38%	$260	$248
Woodbury	54,865,181	13,065,833	-1,171,229	-2.13%	-8.96%	$266	$242

SOURCE: Minnesota House Research Department

OnBalance

Views From Around the State

Gov. Pawlenty's plan to fix the state's $160 million deficit gets mixed reviews

The **West Central Tribune** (3/5) gives Pawlenty some praise for his "frugal approach to state government and that he is wise to not dip into the state's budget reserve, but then lets the other shoe drop. "The biggest cut among Pawlenty's $96 million in overall cuts will be almost $40 million in the Department of Health and Human Services alone. This is a significant cut for this department which will impact the lives of those Minnesotans in greatest need of assistance." The *Tribune* questions how Pawlenty will pay for $63 million in proposed new spending. "Minnesotans will likely see further creative budgeting like cutting snowplow driver numbers, calling it efficiency, and using the funds to help pay for transportation construction programs. It's called political mathematics."

The **Mankato Free Press** (3/7) is also concerned about the impact of Gov. Pawlenty's proposed health and human service cuts on the state's needy. "The governor's budget plan also would raid a health-care emergency fund of $70 million. The fund pays for health care for those Minnesotans who don't have it, a number that is growing with Pawlenty's cuts to Minnesota Care." The paper also questions the governor's proposed spending increases. "While the issue of sex offenders remains serious, the governor's plan appears to be throwing money at a problem that could be solved by his Corrections Department simply doing a better job in determining who is a dangerous sex offender ... While it may be a politically wise move to avoid raising taxes, the governor should at least consider not increasing spending. We wonder how much more of this political wisdom Minnesota can take."

Cuts to health care will hurt the elderly and businesses outstate argues the **Bemidji Pioneer** (3/5). "Among the Republican governor's proposals are to pull $18 million from providers of elderly care. … He would also cut state payments to pharmacies in programs for low-income Minnesotans, saving another $5.8 million. Those kinds of cuts are especially cruel to rural Minnesota, where nursing homes and hospitals are already run on a shoestring, and to rural pharmacies where state assistance is a large part of their business, but is creating no profit." On the governor's protection of the budget reserve, the *Pioneer* concludes, "We can understand the reluctance not to raise taxes, especially in an off-budget year, … but asking Minnesota's most vulnerable to forego services while leaving the bank untouched is inexcusable."

The Governor should continue to fight for Internet drug purchases from Canada, writes the **St. Cloud Times** (3/4). "We encourage Pawlenty and state leaders to continue to force the issue with the federal government and the prescription drug industry. … To date, what's most heartening—besides Pawlenty's willingness to oppose the Bush administration on this issue—is Minnesota's aggressive responses to drug makers and the FDA. Led by Pawlenty, the state is countering every punch with strategic responses and common-sense counter-challenges."

The drug issue makes for "strange bedfellows," notes the **Duluth News-Tribune** (2/27) pointing to the alliance between Pawlenty, Wisconsin Democrat, Gov. Jim Doyle and Socialist U.S. Rep. Bernie Sanders of Vermont. "Pawlenty has the most at stake, being a Republican defying a federal agency serving a Republican administration. For once, the importance of an issue trumps political loyalties, and it's refreshing to see it." The *News-Tribune* concludes, "Early on in this effort, when the specter of 'unsafe' reimported drugs from Canada was raised, Pawlenty famously remarked, 'show me the dead Canadians. Where are the dead Canadians?' Well, where are they?" **MJ**

Fiscal disparities *from page 5*

of 2030 Framework Planning Areas, shows more clearly the amount of tax base exported by the developing suburban cities (see Table 2). This grouping separates most of the communities in the 2020 MUSA into developed and developing areas. The developed areas, which include the core cities of Minneapolis and St. Paul, have inner-ring suburbs like Bloomington, Roseville, Edina and Arden Hills that have strong tax base. The impact of fiscal disparities on the developed areas as a whole is a very small increase in tax base of .05 percent or 42 cents per capita (see Table 2). It is the developing areas that produce more than $11.4 million in tax base and share it with the non-agricultural rural areas ($7.7 million) and with the rural centers ($2.5 million).

In 1971, the base year for fiscal disparities calculations, Minneapolis and St. Paul accounted for 48 percent of the C/I tax base that started the tax-base sharing pool. By 1998, the core cities accounted for 26 percent of the C/I tax base, while the developing ring accounted for 45 percent. The "investment" of the urban core's tax base has yielded an excellent "return" from the developed and developing suburbs. That kind of dynamic will probably not occur again.

Now that the region has entered a new stage of development, perhaps today's "investment" should look for a different type of return. It is time for policymakers to assess how fiscal disparities can best meet its original purpose through 2030 and beyond.

For the full sets of data, links to the Met Council maps, and the fundamentals of fiscal disparities, visit the Citizens League website at **www.citizensleague.net**. **MJ**

Bob DeBoer is senior program associate for the Citizens League.

TakeNote Policy Tidbits

The comic, the tragic and the troubling

Young Americans are turning to Jon Stewart for their news, a poll by the Pew Research Center for the People and the Press reported earlier this year. According to the poll, 21 percent of people aged 18-29 cited "The Daily Show" and "Saturday Night Live" as primary sources of information regarding presidential campaign news—almost as many as reported getting such information from network nightly news broadcasts (23 percent). During the two weeks of the Iowa Caucus, New Hampshire Primary and State of the Union Address, the "Daily Show" had more male viewers aged 18-34 than any of the network news broadcasts. Only four years ago, Pew found that 9 percent of young people were watching comedy shows, compared with 39 percent who tuned into network news shows. **http://people-press.org**—*Dan Gilchrist.*

Women's medication use is higher than expected. A study of 570 women recently published in the *American Journal of Obstetrics and Gynecology* showed that 92 percent took prescription medications, 96.5 percent self-medicated with over-the-counter drugs, and 59.1 percent said they used herbal supplements. The problem, the study argues, is that patients are unlikely to mention these medications to a physician unless that physician prescribed the drug. That could result in harmful drug interactions, according to Timothy Tracy, Ph.D., a professor at the University of Minnesota College of Pharmacy. "Sometimes, patients don't associate their disease and medication with the individual physician they're seeing at any given time if the physician is not the one treating that condition or if they didn't prescribe the medication. … Will this drug interaction kill you? Probably not. Can you experience serious adverse effects? Yes." —*D.G.*

The Colorado Taxpayers Bill of Rights (TABOR) is projected to wipe out almost all funding for higher education, according to a white paper published by the University of Colorado. The report projects General Fund revenues available for higher education will plunge from $686 million in FY2003 to $83 million in 2009. Declining revenues from FY1995-2004 have not been offset by tuition increases—even though median family incomes have increased 50.8 percent—in part because tuition and fees count as state "cash" revenues under TABOR and as such are subject to restrictions imposed by the state. The effect of this decrease in funding is compounded by a 16.2 percent increase in new resident students between FY1995 and FY2004, as well as increasing costs to universities for instructional expenditures, health benefits, and technology. This has resulted in a reduction in state support per student to an average of $3,709—lower than the state's FY1995 levels. With current policies, the University of Colorado looks to lose purchasing power due to increasing fixed costs. The report asserts that the most practical solution, absent changes to TABOR, is to remove higher education from TABOR calculations and restructure the relationship between the governing boards and the state, presumably to provide greater flexibility to increase tuition and fees. To read the report, visit **www.cu.edu/downloads/surviving_challenges.pdf**—*D.G.*

The federal government is saddling states with at least $29 billion in unfunded mandates in 2004 according to the first issue of the Mandate Monitor, published by the National Conference of State Legislatures (NCSL). The gap between mandates and funding is mainly attributed to a failure by Congress to appropriate or release authorized funds to the states for essential government services. The $29 billion is equal to about 6 percent of states' general funds and is a minimum estimate. As an example, NCSL states that areas where costs are proven to exceed authorized levels of spending—such as special education—are not calculated as unfunded mandates. Just adding special education costs above authorized spending to the equation would make the gap closer to $50 billion. **www.ncsl.org/programs/press/mandatemonitor.pdf** —*Bob DeBoer.*

Iraq produced more asylum seekers in Europe than any other origin country in 2002, according to *The Economist* (March 6, 2004). That number was halved in 2003 as overall the number of people seeking asylum in wealthy nations dropped by 20 percent. With the principal country of origin in parentheses, Britain (Somalia) received the most asylum applications in 2003, followed by the United States (China), France (Turkey), Germany (Turkey), Austria (Russia), Canada (Pakistan), Sweden (Serbia) and Switzerland (Serbia). In 2003, Sweden took in the most asylum seekers on a per capita basis.—*B.D.*

New efforts are underway to improve nutrition and public health. A report published in late February by the National Research Council calls for increased cooperation between researchers of agriculture, food, and human health. Charles C. Muscoplat, the University of Minnesota's vice president for agricultural policy, argues that "The time is right for bringing together the nation's agriculture and health-care infrastructures with the goal of improving nutrition and public health." The changes called for in the report "directly parallel the direction that University of Minnesota President Robert Bruininks is already taking with his Healthy Foods, Healthy Lives university-wide interdisciplinary initiative," Muscoplat reports. **www.dels.nas.edu/banr/health.html**—*D.G.* **MJ**

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