



JOURNAL

A Public Policy Monthly from the Citizens League



The sky might fall ... or it might not

But Minnesotans will be safer if we are all prepared

by Dan Johnson

No one wants to live in a Chicken Little world. Panic is not conducive to productivity, peace, or any of our national goals. But sometimes it's hard to know whether to listen to the doomsday prognosticators or just assume that we're safe. Is the sky going to fall, or isn't it?

We have little orange and red graphs that tell us about "threat levels"—but are we safe? And we see devastating natural events to which the government doesn't react effectively. Our leaders used to be on top of this stuff. Are we on our own here?

The work isn't done, however, and it never will be. There will continue to be new threats, and we continue to develop new ways to deal with old threats. Our preparedness plans need to be fluid. Inevitably, some of our knowledge will come from experience, which is unfortunate, but realistic. One thing we can't afford to do is blind ourselves with confidence. We have to remain vigilant and know that the "big plan" can't anticipate every possibility or protect every citizen in every situation.

Are you ready?

Minnesota ranks ninth nationally in the number of major disaster declarations since 1972. Between 1991 and 2001, Minnesota was hit with 16 events resulting in presidential disaster declarations. Those events caused nearly \$3 billion in damage and loss. They were natural disasters such as floods, tornadoes, electrical storms, straight-line winds, ice storms, or unimaginable amounts of snow—the reasons for all those Minnesota jokes that aren't funny if your life is reduced to splinters or you're trapped in your home with no heat or water.

Historically, natural disasters have been Minnesota's bane. But we must not overlook the possibility of man-made disaster.

There are several train derailments in Minnesota every year. Trains run right through our neighborhoods, often carrying materials that could kill us if they stayed there too long. Tanker trucks spill their contents onto our land occasionally, too. Poisonous liquids can evaporate and carry fatal fumes into the air we breathe. They can run into the earth and into our water supply, threatening our existence for decades. Minnesota has two nuclear power plants—closely regulated and constantly monitored, but also housing potentially disastrous amounts of radioactive fuel.

The people responsible for Minnesota's overall preparedness take these threats seriously, and their plan covers prevention, preparedness, response and

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My belief is that to a greater extent than we want to believe, we are. That's a fact of life, even though our local, state and federal governments are working hard to protect us.

Minnesota is much better prepared since 9/11 to prevent and respond to man-made and natural disasters and terrorism. A broad spectrum of public, private and non-profit groups are talking to each other, sharing resources and creating one comprehensive plan. It's an "all-hazards" approach to preparedness, and it is working. We're more ready than ever.

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CONNECTIONS

Building a League of Citizens

Common Ground Membership Drive co-chairs Tom Teigen and Nena Street speak about intergenerational leadership at the Citizens League 2005 Annual Meeting.



The Pohlad Family Foundation has awarded the Citizens League a \$10,000 matching membership grant. That means that every new membership we receive during our Common Ground Membership Campaign will double in value! Please help us make the most of the grant by recruiting a new member or giving a Citizens League membership as a gift.

Help build the Citizens League!

The impact of the Citizens League is a reflection of its membership size, involvement and diversity. You can help build the Citizens League by inviting civic-minded people to join. Here are some easy ways to get involved:

- Host a membership recruitment party at your home or office. You invite the guests and provide refreshments. A Citizens League staff member does a brief presentation and encourages guests to join.
- Volunteer to contact people who have attended Citizens League events but have not yet joined.
- Invite people you know to attend a Citizens League event. It's a great way for them to meet people from different perspectives who share a common interest in building a stronger community.
- Do a live testimonial at an upcoming event on why you joined the Citizens League. Personal stories are a powerful form of persuasion.
- Give a Citizens League membership as a holiday gift. It's perfect for a young person who is just launching a career or someone who is impossible to buy for—and it's tax-deductible.
- Send us names of people you think would be interested in joining. We will follow up with a personal letter and membership brochure.
- Encourage colleagues to visit www.citizensleague.net to learn about the League and join online.

Contact Sarah Idowu at 651.293.0575x16 or membership@citizensleague.net to help with the membership drive or request membership materials. Thank you for getting involved!

Correction

The October 2005 issue of the Minnesota Journal was mistakenly labeled as Volume 22, Issue 8. It should have been labeled Volume 22, Issue 9. This is Volume 22, Issue 10. Our apologies for any confusion.

List of new members, donors, and recruiters

Individuals and families

Kari Anderson
Rick Berglund
Debra Boardman
Martha Brand and Gerald Rosen
Brad Brown
Charissa Bryant
Wayne Cox
Jake and Angel Crandall
Susan Dioury
Ryan Dolan
Sue Dosal
Terry Dwyer
Catherine Fischer
Kimberly Gartner
Doug Green
Michael Guest
Robert Hagen
Alan Ickler
Robert and Ann Jackson
Ryan E. Jackson
Ryan Johnson
Ted Johnson
Lissa Jones
Kim Keprios
Kerstin Leonard
Nancy and Christopher Longley
Ruth Lunde
Harriet Mednick
Joe Munnich
Joan Mitchell
Richard Neuner
J. Dennis O'Brien
Todd Otis
Rita Parenteau
Ruth Parriott
Neil Peterson
Daniel and Christine Rice
Douglas Robinson
Mr. and Mrs. James Ryan
John Schwarz
Katy Sen
Tom Shaughnessy
Ronald Snell
John and Marcia Stout
Robert A. Super
Bill and Carol Sweasy
Paul Thissen
Judith Titcomb

Laurie and Eric Tostrud
Trudi Noel Trysla
Ellen Watters
Jonathan Weiss
Marnie Wells
Michael Wilhelmi and Susan Roeder

Corporations/Organizations

City of South St. Paul
Ecumen
Express Interactive Solutions
Global Volunteers
Hispanic Chamber of Commerce of MN
Humphrey Institute Policy Forum
Incentives, Inc.
Jefferson Lines
Key Professional Media, Inc.
Metropolitan Sports Facilities Commission
MINCEP Epilepsy Care
Partnership for Choice in Education
St. Jude Medical Foundation
St. Paul Travelers Foundation
University of Minnesota

Recruiters

Stacy Becker
Ellen Brown
Amy Carey
Bob DeBoer
Stan Donnelly
Dave Durenberger
Victoria Ford
Anne Hunter
Liz Mische
Lee Munnich
Jonathan Palmer
Aaron and Nena Street



Chicken Little and Citizen Big

Civic lessons learned from major catastrophes

by Sean Kershaw

Former Saint Paul Mayor Norm Coleman's strategy for Y2K-readiness took one of the most prescient political gambles I've ever seen. His plan was ahead of its time—and worthy of consideration in our times.

Coleman made sure the technology and traditional emergency response systems were ready for the transition to 01/01/00—an event which represented a frustrating and unknowable risk.

But unlike other political leaders, Coleman implemented a broad-based community preparedness strategy that I helped to organize called “St. Paul Get Ready” (proposed by internet pioneer and entrepreneur Mike O'Connor).

Community preparedness

Weeks before the millennial New Year, every Saint Paul household received a four-color fold-out brochure that specified not only how they should prepare their family for potential emergencies, but also how they could prepare their neighbors and communities. It provided detailed instructions in multiple languages, and included a map of neighborhood-based emergency communications sites in case the traditional communication system broke down.

We spent more than two years working with social service organizations, neighborhood councils, faith communities, immigrant groups, and community newspapers, radio and TV stations. We built an innovative mobile backup communications system. We made countless speeches. We trained hundreds of leaders on the basic skills of emergency response and preparedness. We created new relationships and new partnerships in preparation for an event that might not even happen. We were deliberately trying to build this social capital—so we could leverage it if an emergency actually did happen. In doing so, we became an award-winning model for other cities.

But of course dozens of us then sat in our cars sipping coffee in the cold during the countdown, staffing these (innovative, mobile) communication sites, and (thankfully) watching nothing but a few fireworks. And of course we faced snickers and tiresome post-millennial Chicken Little jokes.

But not for long.

Unfortunately, Chicken Little was eventually right. These snickers turned to shock following 9/11, and to a stunned silence following Hurricane Katrina.

The truth about emergencies

An unspoken tragedy in the aftermath of Katrina is the number of people who believe it was *just* a failure at the top: FEMA, the

Army Corps of Engineers, the National Guard, the governor, etc. The Katrina disaster was certainly magnified—significantly—because of the spectacular incompetence of these agencies. But this misses the essential lesson about emergencies for us in Minnesota.

An effective and prepared government at all levels is a necessary *but insufficient* response to the potential emergencies we still face. And we can't wait for a flu pandemic, an act of terror or a natural disaster to realize it. If we're expecting the government to do everything after the unimaginable happens, we're going to be in more trouble than we can imagine. What we saw in Louisiana was a breakdown in governance everywhere, not just a breakdown in government at the top.

Emergency preparedness builds broad-based response capacity *before* an emergency happens. Emergency preparedness requires a workable community-wide strategy, clear roles and strong relationships, and leadership in *all* sectors and institutions (not just government). Emergency preparedness includes opportunities for all citizens to exercise real leadership where they spend time:

families, schools, workplaces, neighborhoods, and faith communities. Emergency preparedness requires individual leadership capacities—skills and tools—that must be developed and nurtured beforehand. This preparedness not only helps avoid some emergencies (like acts of terror), it helps minimize the economic, social and environmental impact in the days, weeks and months after an emergency.

The point isn't that we will face a Katrina-sized catastrophe in Minnesota.

The point is that a broad-based community preparedness strategy is beneficial even if nothing happens. We benefit simply from the act of preparing.

The truth about emergency preparedness is that it depends on civic preparedness and a healthy civic infrastructure.

The truth about Minnesota

The truth about Minnesota is that our economic success and quality of life are the direct results of the civic investments made by our predecessors. We became a model for other cities, regions and states.

And as we prepare to celebrate our state's 150th anniversary in 2008, this infrastructure is in need of some significant reinvention and reinvigoration. Not just to protect our basic welfare and democracy from new and sometimes unknowable threats, but also to sustain and preserve this quality of life and economic success.

As Minnesotans, we'll benefit no matter what happens.

Minnesota: It's time to *get ready!* ●

Sean Kershaw is President of the Citizens League, and can be reached at skershaw@citizensleague.net or 651-293-0575x14.

A broad-based community preparedness strategy is beneficial even if nothing happens.

FACTS UNFILTERED

The Cost of Health Care

Each month, Citizens League members and staff will collaborate to select a timely policy topic, then ask the important—and sometimes uncomfortable—questions and dig up the answers. Just the facts, unadulterated and unspun.

Questions, comments, corrections? We need more Facts Unfiltered volunteers! If you are willing to roll up your sleeves and dig into the facts, if you have suggestions for a future Facts Unfiltered policy topic—or if you just think we got something wrong—call or e-mail Victoria Ford: vford@citizens-league.net or 651-293-0575 ext.17.

Q How much do we spend on health care?

A That depends on how you define “we,” “spend,” and “health care.” Here are a few possible answers:

The United States—including individuals, governments and other organizations—spends \$1.5 trillion each year on health care, around 15 percent of our Gross Domestic Product.

Collectively, Minnesotans spend around \$27 billion every year on health care. To put that in perspective, Minnesota’s economy produces around \$190 billion annually.

Minnesota’s Department of Human Services spends around \$3 billion a year on Medical Assistance (that’s what Minnesota calls Medicaid), General Assistance Medical Care and Minnesota Care.

Q How much are health care costs increasing?

A When people talk about the rapid increases in health care costs, they are usually talking about the Department of Human Services programs. The most recent state budget increased spending in these areas by around 15 percent.

But health care costs are going up for consumers, too. According to the Kaiser Family Foundation, individual health care spending doubled from \$2,737 in 1990 to \$5,670 in 2003. Private health insurance premiums increased 11 percent between 2003 and 2004.

Q Why are health care costs increasing so much?

A There are a number of explanations for the rise in health care costs—but the bottom line is that nobody knows for sure what’s responsible.

According to the Kaiser Family Foundation, hospital care contributed about one-quarter (24.8%), and physician services contributed about one-fifth (21.3%) of the total growth in national health expenditures between 1993 and 2003.

While Kaiser’s numbers show which health fields are driving spending increases, they do not explain why spending has increased so dramatically. Prescription drugs are most often cited for rising health care costs—and with good reason. The Kaiser research shows that from 1995 to 2000, drug spending increased two to five times more than spending on hospital care and physician services. In 1993, prescription drugs made up 5.8 percent of health care spending; by 2003, drugs accounted for 10.3 percent.

Not everyone agrees that prescription drugs are to blame, however. President Paul B. Ginsburg of the Center for Studying Health Systems Change argues that new medical technologies and increased consumption are to blame. In the *New England Journal of Medicine* in 2004, Ginsburg explained: “‘New technology’ includes not only new diagnostic procedures and treatments that are more costly than older ones, but also some that cost

less per unit but are more effective or cause less discomfort to patients—qualities that stimulate much higher rates of use.”

Q What can we do about rising health care costs?

A In his article, Ginsburg lays out four options for stemming rising health care costs:

- Increase the efficiency of our health care system so that it can deliver the care we want for less money;
- Increase financial incentives for patients to limit their use of medical services (increasing co-pays, for example);
- Increase the administrative controls on the use of medical services (e.g., requiring patients to get referrals from primary care doctors before they are allowed to make appointments with specialists); or
- Limit the resources available to the health care system.

Jan Malcolm, former commissioner of the Minnesota Department of Health and current CEO of the Courage Center, argues that in order to rein in health care costs, we need to determine what causes ill health and spend our health care dollars combating it. In her presentation as a part of the Citizens League *Show Us the Money! Public Finance Explained* series, Malcolm argued that while individual medical treatment makes up 90 percent of health expenditures, it accounts for only 10 percent of overall health. Individual behavior (40%), genetics (30%), and social/economic factors (15%) are all more significant elements in determining health. Malcolm recommends four strategies for improving health and controlling costs:

- Get more out of health care: do what’s most effective and demand quality improvement;
- Put a higher priority on prevention (both clinical preventive services and broader public health approaches);
- Create environmental and social forces that influence behavior and protect health;
- Better balance our health investments. Don’t focus so heavily on individual medical treatment when we know that other factors have as much, or more, effect on health outcomes. ●

For more information on health care costs, visit these web resources:

“Election 2004: Controlling Health Care Costs,” Paul Ginsburg, PhD. *New England Journal of Medicine*; October 2004, Volume 351, Number 16. Online at <http://content.nejm.org>

Center for Studying Health Systems Change: www.hschange.org

Centers for Medicare & Medicaid Services: www.cms.hhs.gov

Health Affairs (health policy journal): www.healthaffairs.org

Henry J. Kaiser Family Foundation: www.kff.org

Health Economics Program, MN Department of Health:

www.health.state.mn.us/divs/hpsc/hep



Land value taxation

Taxing the value of land promotes growth and wealth creation without penalizing businesses or communities

by Rich Nymoen

How can Minnesota create an economic climate that cultivates job growth and vital communities without breaking the bank of state and local government? While we continue to debate the fairness and effectiveness of tax and economic development efforts such as TIF, JOBZ, and other subsidies, there's no dispute that these approaches drain public coffers, leaving less money for the infrastructure and public services needed to create economic growth and community vitality.

In Pennsylvania, communities are using an alternative approach with some impressive results: more than 20 municipalities have switched from raising revenue using conventional property taxes to an approach that taxes the value of land at a higher rate than buildings. Generally known as "land value taxation," this approach to property taxation has been a powerful force for economic development. Harrisburg—once one of the most distressed cities in the nation—has seen the number of vacant buildings in the city drop 85 percent, from 4,000 to 500, since making this shift in the early 1980s. Over the same time, Harrisburg has registered more than \$3.1 billion in new investment, seen the number of new business increase from 1,908 to more than 5,900, and watched taxable real estate values rise from \$212 million to more than \$1.6 billion. The crime rate has fallen 54 percent, and the fire rate is down more than 76 percent. Unemployment is about 50 percent lower than in the 1980s.

Small rural towns have seen similar results. For example, Aliquippa, a town of less than 12,000 in western Pennsylvania, lost its largest steel mill in 1987 and then switched to land value taxation in 1988. The next year, building permits in Aliquippa increased 147 percent per capita while neighboring communities with conventional property taxes saw building permits decrease by as much as 41 percent.

In 2000, Pittsburgh stopped using the land value approach to property taxation, due to a much-delayed and botched county-wide reassessment that year. Almost immediately, construction activity fell and Pittsburgh is

now on the verge of municipal bankruptcy, a tragic vindication of its previous approach.

Here in Minnesota, the complex interplay between local property taxes and state aid formulas makes trying land value taxation at the local level difficult. But the newly created state property tax on commercial/industrial (CI) property provides an opportunity to take advantage of this approach at the state level.

A second chance

In 2001, when the new CI tax was created in connection with reforms in education funding and property taxes, the state House passed legislation that would have, over 10 years, gradually shifted the CI tax to a tax based solely on land value. But the legislation died in conference committee and the tax eventually went into effect as a conventional property tax.

But pending legislation by Rep. Ron Abrams (R-Minnetonka) and Sen. Mee Moua (DFL-St. Paul), with co-author Sen. Ann Rest (DFL-New Hope), proposes again to shift the CI property tax to a land value tax. Generally, the current state CI property tax amounts to about a 1 percent tax on the total value of the buildings plus the land. If approved, this bill would, over 10 years, shift the tax on CI property to roughly a 3 percent tax on the value of the land only. The bill is revenue neutral—the same amount of revenue will be collected as under the current tax, about \$600 million annually.

In 2004, with funding from the Lincoln Institute of Land Policy, the Minnesota Taxpayers Association issued a report which analyzed the macro effects of this bill (view the report, "Evaluating the Feasibility and Burden Shifting Impacts of a Statewide Land Value Tax on Commercial and Industrial Property," at www.lincolnst.edu. Search for "Minnesota Taxpayers Association").

The Taxpayers Association found that the average CI site in Minnesota has about 70 percent of its total value in the building and 30 percent in the land. Under the land tax shift, CI property with more than 70 percent of total property value in buildings would pay less than under the conventional property tax, while those that have less than 70 percent in building value would pay more.

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Figure 1



Stroh's Brewery
Taxable value: \$1,670,800 Building value: 6%



Mai Village
Taxable value: \$1,657,000 Building value: 89%

Current System vs. Land Tax System

	Stroh's Brewery	Mai Village
Taxes under current system	\$17,824	\$17,526
Taxes during 1st year of land tax system	\$21,381	\$16,403
Percent change in taxes	20%	-6%
Taxes during 5th year of land tax system*	\$35,611	\$11,911
Percent change in taxes	99.8%	-32%

*Assumes no future change in levy or CI base

Source: Ramsey County Department of Property Records & Revenue

Land value taxation

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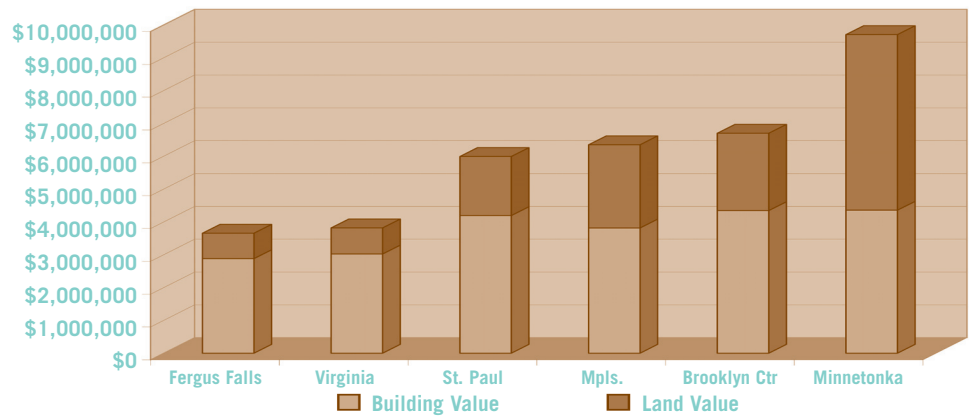
Encouraging investment and redevelopment

Using Taxpayers Association formulas, we can illustrate how this reform would work for some specific properties (See Figure 1). The first example is a property on St. Paul's East Side where, in an area of increasing diversity and high unemployment, there is a multi-block site that for generations housed the Stroh's and Hamm's breweries. At one time, the site provided well-paying jobs and its workers patronized area businesses; it was a boon to the neighborhood. But it hasn't been recently. For the past six years, the site has been in the hands of an owner who hopes to make millions—but not by creating good jobs or housing. Instead, the landowner is engaged in the age-old practice of real estate speculation. And, in fact, the value of the Stroh's site is likely to escalate as a result of the construction just north of the site of the Phalen Boulevard, a massive public investment in the creation of a new road connecting the heart of the East Side to I-35E. This new road will bring this speculator a large windfall profit though nothing has been done to improve the Stroh's site.

Land value taxation could encourage this land holder to put the site to better use, however. The Stroh's Brewery site currently has a total assessed value of \$1.68 million. Because of their obsolescence and run-down condition, the value of the buildings amounts to only 6 percent of the total value of the property. The state's CI tax on the property is currently \$17,284. In the first year of a shift toward land value, the state's CI tax on the property would climb to \$21,381, an increase of 20 percent over the conventional approach. In the fifth year of the shift to a land value tax, the property would pay approximately \$35,611 in CI taxes, nearly twice as much as under the current conventional property tax. Thus, by increasing holding costs, land value taxation helps put tremendous development pressure on underused sites such as this one.

Contrast this example with another St. Paul commercial property, Mai Village on University Avenue in Frogtown. At \$1.65 million the property has nearly an identical total valuation as the Stroh's Brewery. However, because of recent award-winning improvements to the site, including construction of a new building,

Figure 2
Land & building values of big box retail stores across Minnesota



Sources: Hennepin County Property Information, Ottertail County Tax Information, Ramsey County Department of Property Records & Revenue and St. Louis County Auditor.

89 percent of the property value is in the building. Despite the difference in the value of the improvements, Mai Village currently pays nearly the same amount in state CI tax as the Stroh's Brewery site, \$17,526. In the first year of a shift toward land value, however, the state's CI tax on the property would be reduced to \$16,403, 6 percent less than under the current conventional approach. In the fifth year, the state CI tax would decline to approximately \$11,911, 32 percent less than under the conventional property tax.

A shift to land value taxation would encourage the kinds of development communities would like to see while reducing the cost of doing business.

Greater Minnesota benefits, too

It's tempting to think that, because there is more land outstate than in the Twin Cities metro area, a shift to land value taxation would mean Greater Minnesota would bear a larger portion of the state CI tax burden. But acreage is not the biggest factor when it comes to the value of land. What is? Location, location, location.

Even "big box" retail stores, with their low-rise buildings and large parking lots, may not necessarily see tax increases under land value taxation, depending on where they are located. For example, look at a sample of big box retail stores throughout the state (Figure 2). These stores all cover roughly the same 10 acres no matter where they are located. And regardless of location, big box retail stores have roughly the same building values because the cost of construction labor and materials vary only slightly inside and outside the metro. Building values range from \$3 million in Fergus Falls to \$4.3 million in Minnetonka. However, land values vary

dramatically: \$797,000 for big box retail land in Fergus Falls compared to a whopping \$5.3 million for big box retail land in Minnetonka. Indeed, the Taxpayers Association research shows that, in general, a shift to land value taxation would shift the burden of the state's CI tax off the state's struggling counties and onto those areas of the state that, because of the increasing commercial opportunities that come with increasing populations, are better able to pay.

Land value taxation can foster job growth and improve community vitality without putting a hole in public budgets. The state can collect the same amount of revenue or more as it can under the current tax structure, but in a way that does not penalize building improvements, sales transactions, payrolls, and the business profits that contribute economically to our state. Instead, under land value taxation, behavior that is a detriment to communities—speculating in and under-using key commercial sites—is penalized by rising taxes.

The value of land is created, not by individual effort, but by growth in population and community wealth, and by the public's investment in such services as schools, infrastructure, parks, fire and police protection. It's time Minnesota began recapturing community-created value for the benefit of our communities. Land value taxation will provide greater economic growth without sacrificing the quality of life that is a Minnesota tradition. ●

Rich Nymoen chairs the Metro Equity Committee of ISAIAH, an alliance of 80 churches throughout the Twin Cities and in St. Cloud that organizes congregations around community and social justice issues. Contact him at rnymoen@aol.com.

The sky might fall ... or it might not

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recovery. You'd feel safer if you read it. But it won't do you much good if a tanker-load of fossil fuel is running down your street.

There is that other man-made threat, as well. As a homeland security liaison to the intelligence community, I am acutely aware of emerging threats posed by domestic and foreign terrorist organizations.

The good news on terrorism is this: Minnesota, a border state with significant financial and agricultural importance to the nation, is no more threatened than other parts of our nation.

The bad news is this: Minnesota is no less threatened, either. And Minnesota preparedness statistics don't vary significantly from the national ones.

About 85 percent of America's infrastructure is privately owned and operated. Banking and finance, telecommunications, energy, transportation, food industries and other essential aspects of our day-to-day lives are controlled by private interests. Only about 23 percent of these companies have emergency operations plans or continuity-of-operations plans in place.

Small businesses account for more than 99 percent of all companies in the U.S. Those companies employ 55 percent of our private-sector workforce and provide 45 percent of the nation's payroll, yet small businesses often cannot recover in the wake of local disaster.

Surveys tell us that 76 percent of Americans believe that the United States will experience another terrorist attack—but 75 percent of them have no emergency preparedness plan. That's the real problem. We're not entirely on our own here, but we're entirely responsible for our own immediate response and our potential survival when disaster strikes.

Knowing that, we must redefine our notion of "Homeland Security." Former Department of Homeland Security Secretary Tom Ridge said it well: "The homeland is not secure until the hometown is secure."

Take charge of your security

In my opinion, apathy is the biggest threat to homeland security. The attitude that "It won't happen here" is our worst enemy. It's also ironic.

Our country has become wildly successful in areas such as technology development, science, medicine, economics, and others, in part, because we have a habit of asking ourselves "What if...?" Not only "What if we built a better mousetrap?" but also, "What if things go wrong?"

Most Americans acknowledge that fender-benders happen, so they buy insurance. They know that a virus could make them miserable, so they get vaccinated. Americans also believe that their city, state, or region could be devastated by some unpredictable force, but many don't have so much as a first-aid kit in the cupboard. That needs to change.

We have a fundamental responsibility to ourselves and our communities to minimize the effects of disaster, and there are four proactive things we can do without much effort or expense: Be informed. Make a plan. Make a kit. Get involved.

Be informed on two levels. Watch the news, but remember that preparedness need not be political. Don't let media discussions on policy issues divert you from your personal readiness goal. Then consider what can happen where you live and what you need to prepare for. Attend community meetings or talk to local emergency management officials about your local level of readiness.

Planning ahead keeps people alive. If your child's school didn't have a fire evacuation plan, you'd be outraged. Do you have one at home? If your family members got separated, do you know where they would gather? Where is the safest place in your home to go in different types of situations? As you begin your planning, you'll find more questions to ask yourself.

A survival kit can make a life-or-death difference in a disaster. Food, water, light, warm clothing, medication, money and other items can be packed up and ready to help you live through a crisis.

Finally, knowing what to do for others is a gift to your community. Share your skills; when your neighbors are safer, so are you.

Excellent sources of guidance are available online: www.ready.gov is one of the most straightforward and complete sites on this subject. There are more good ideas at www.fema.gov and www.citizencorps.gov. Share this information with friends, co-workers and neighbors, and help spread the anti-apaty virus.

Your message to them can be the same one you'd give that chicken: The sky may fall or it may not. Don't worry about it. Prepare for it. ●

Dan Johnson is the former executive director of Homeland Security for the Minnesota Department of Public Safety. He resigned in early November.

The people responsible for Minnesota's overall preparedness take these threats seriously, and their plan covers prevention, preparedness, response and recovery. You'd feel safer if you read it. But it won't do you much good if a tanker-load of fossil fuel is running down your street.

Check out the Citizens League blog at www.citizensleague.net for more on what you can do to help after a disaster.

Taking the politics out of redistricting

Iowa offers an example of the right way to draw legislative districts

by Kelly Buck

Redistricting has become synonymous with political extremism and party warfare. Last year, legislators staged bizarre confrontations in Colorado and Texas over unprecedented attempts to change district lines in mid-decade.

But unlike many other states, in 2001 the Iowa Legislature was able to redraw its congressional and state legislative districts with little controversy.

Since 1980, Iowa has used a nonpartisan redistricting service, called the Legislative Service Bureau. Even though the state legislature twice rejected the Bureau's maps in 1981 and ultimately drew up its own, Iowa lawmakers have generally accepted the Bureau's proposals. Most importantly, no district voting lines have been drawn by the courts since the 1980 legislation was passed.

How the Iowa redistricting process came about

The Iowa legislation was the result of more than two decades of conflict over the redistricting process.

Though Iowa's solution to the problem is distinctive, conflict over redistricting issues is not exclusive to the state. The revisions to Iowa's redistricting process evolved from decades of disparities in states across the country.

For example, prior to 1960, the state of Tennessee had failed to reapportion the state legislature for 60 years, despite population growth and redistribution. Consequently, the issue was for the first time taken to the courts in *Baker v. Carr*.

The case was brought by Charles Baker, a voter, against the state in federal district court (Joe Carr was a state official in charge of elections). Baker claimed that his vote was diluted as a result of the state's failure to reapportion and that it violated the equal protection clause of the Fourteenth Amendment to the Constitution.

The federal district court dismissed the complaint on the grounds that it could not decide a political question.

However, Baker appealed to the U.S. Supreme Court, which ruled in 1962 that a case raising a political issue could be heard. This landmark decision set a precedent that allowed for the resolution of redistricting conflicts in court, and opened the way for numerous suits on legislative apportionment.

How the Iowa process works

Under chapter 42 of the Iowa Code, enacted in 1980, the Iowa legislature has the final responsibility for enacting both congressional and state legislative district plans. However, the nonpartisan Legislative Services Bureau starts the process. The Bureau must develop up to three plans that can be accepted or rejected by the legislature.

The four criteria for the Bureau's plans, in descending order of importance, are:

1. Population equality
2. Contiguity
3. Unity of counties and cities (maintaining county lines and "nesting" house districts within senate districts and senate districts within congressional districts), and
4. Compactness

Chapter 42 specifically forbids the use of political affiliation, previous election results, the addresses of incumbents, or any demographic information other than population in creating the redistricting proposals.

In order to make as much information as possible regarding the redistricting process available to the public, three public hearings are required to be held on the first proposed plan from the Legislative Service Bureau. Additionally, Iowans can request paper maps depicting proposed district lines from the Bureau.

A commission consisting of four civilian members chosen by each caucus in the legislature and a fifth chairperson, chosen by the

commission itself, is responsible for advising the Bureau, but only upon the Bureau's request. If the legislature does not approve the first three plans by the Bureau, it must itself approve a plan by September 1st, or the state Supreme Court will take responsibility for the state districts. The governor has veto power over plans, regardless of how they are developed.

Political impact

Since 1981, the Iowa Legislature has been quick to accept the Legislative Service Bureau's plans. Its recommendations may be inconvenient to incumbent state legislative leaders and members of Congress—who are often placed in very competitive districts—but that only highlights the perception that they are fair and nonpartisan.

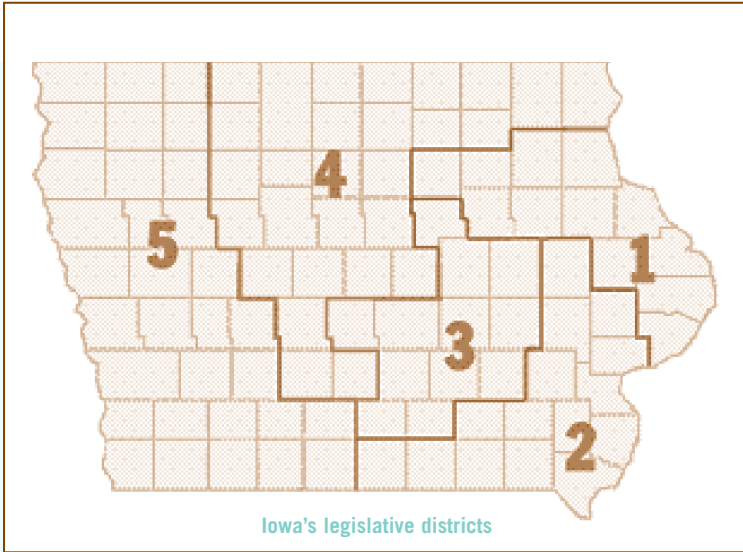
In fact, the Democratic-controlled Legislature approved a plan in 1991 that left it vulnerable to competition; the Republicans now control both houses of the state Legislature and four of five U.S. House seats.

In 2001, the Legislature did reject the Bureau's first plan for congressional districts, but accepted the second plan even though it forced some Republican incumbents to run in new districts.

Even those congress members and Iowa state legislators who had to move from their districts, or chose to retire rather than run against other incumbents, support the process. They agree that it is best for the public.

Four out of Iowa's five new congressional districts are fairly evenly divided between Democrats and Republicans, mirroring the state's overall makeup. Only the 5th district, which runs down the state's western border, has a solid majority of Republican voters.

In a time of bitter partisanship, the redistricting process in Iowa is refreshingly non-political. Iowa should be used as a model in revising redistricting processes across the country.



An advantage to the system in Iowa is that it resolves district lines early in the year—this allows parties to start recruiting candidates and also gives incumbents an opportunity to either move to another district or plan their retirement. In the 2002 election, two of Iowa’s incumbent House members—Republican Jim Leach and Democrat Leonard Boswell—had to pack up and move their homes in order to run in their new districts.

Across the nation, competitiveness of House races has hit an all-time low. As a *Washington Post* article by Joanne Dann reported, in the 2000 election only 57 of the House’s 435 seats were decided by margins of 10 percent or less.

Reapportioning is a task left in most states to the legislature. As a result, most maps are drawn to protect incumbents or maximize one party’s advantage at the polls.

Gerrymandering is having a profound impact on the political process. The practice sharply reduces the number of competitive elections to the U.S. House of Representatives. For example, in 2002, only four challengers were able to defeat incumbent members of Congress, the lowest number in modern American history, according to political scientists Norman Ornstein and Thomas Mann.

Noncompetitive districts lead to entrenched, polarized legislatures. Incumbents fear primary challenges from even more extreme partisans, not the other party, as a result of their “safe” districts.

By contrast, the nonpartisan redistricting process has helped move politics in Iowa back toward the center. Most Iowa politicians know they must appeal not only to their party, but also to independent voters and voters affiliated with the other party. This inevitably leads to an emphasis on bipartisan cooperation and the public’s best interest. ●

Originally published at www.centrists.org on July 24, 2004.

Iowa’s redistricting revision process

A timeline of the landmark cases and the state-level legislation that resulted in Iowa’s current redistricting process.

1962 – U.S. Supreme Court ruled that a challenge to a redistricting plan could be brought and resolved in court.

Baker v. Carr, 369 US 186 (1962)

1964 – U.S. Supreme Court ruled that redistricting plans that were not based on population would be rejected.

Wesberry v. Sanders, 376 US 1 (1964)

Reynolds v. Sims, 377 US 533 (1964)

1968 – Iowa Constitution was amended to fulfill the constitutional mandate to draw boundaries based on population and to provide a basis and time line for establishing state senatorial and representative districts following the federal decennial census.

Iowa Constitution, Article III, " 34 – 36.

Article III, Section 35 of the Iowa Constitution requires the General Assembly to establish, by September 1 of the year following the decennial census, state legislative districts for both the Senate and House.

If the General Assembly fails to enact legislation establishing Senate and House districts that becomes law by September 15th of that year, the Constitution provides that the Iowa Supreme Court shall establish the districts based on constitutional requirements.

The Iowa Supreme Court has original jurisdiction over all litigation challenging an apportionment plan enacted into law.

The Iowa Constitution further provides that legislative districts be apportioned based on population and be of compact and contiguous territory.

1968 – The General Assembly adopted legislative plans for use in the 1970s for House and Senate districts with overall range ratios of 1.13:1 in the Senate and 1.14:1 in the House.

1972 – Iowa Supreme Court struck down the adopted 1968 plans and redrew legislative districts for use in the 1970s. The Court rejected the plans because they established too wide a variation in population without valid justification. The Court’s legislative districts were drawn with an overall range ratio of 1.0005:1 and 1.0009:1 for the Senate and House, respectively.

1980 – Session of the Iowa General Assembly enacted legislation that established a process for drawing legislative and congressional districts following each decennial census, beginning with the 1980 census. This procedure is codified in Iowa Code, chapter 42, and remains largely unchanged to this day.

Originally published at www.centrists.org on July 24, 2004.

TAKE NOTE

Innovative Policy Initiatives from Around the World

Cell phones offer South Africans alternatives to banks

Across South Africa, traditional brick-and-mortar banks are unable to meet the needs of the country's growing population. Banks and ATMs can be difficult to find in all but the most prosperous and urbanized locales. Most require proof of income and residence—which many South Africans do not have—to open an account. Bank fees in South Africa are also among the highest in the world.

These barriers add up to a situation in which 16 million South Africans, approximately 60 percent of the country's population, do not have access to a bank. In the country's poor and rural areas, that percentage is significantly higher. Without access to a bank, poor South Africans have been unable to save or borrow money securely, and as a result, South Africa has one of the lowest savings rates in the world.

But new technology that allows for mobile banking may change that. Cell phone banks provide virtual accounts for South Africans who cannot access traditional banking systems. Employers and government aid agencies can pay directly into employees' cell phone bank accounts. Account holders then use text messaging to purchase items from cell-phone-banking-friendly retailers, transfer money to friends and family members (more than a convenience in a country with staggeringly high crime rates that make carrying cash dangerous), and buy credits for their pre-paid cell phone services. Users can also deposit cash into their virtual accounts at traditional banks and post offices. Some cell phone banking companies offer debit cards that can be used at stores and ATMs.

Cell phone banking made its debut in South Africa this year, and analysts think the idea will soon take off. As many as one-third of "unbanked" South Africans already have a cell phone and cell phones are already used in other creative ways elsewhere in Africa: farmers in Senegal check the latest market prices for their goods by cell phone, and farmers in Lesotho track weather forecasts for their local areas. ●

Links:

"Africa's cell phone boom creates a base for low-cost banking," by Nicole Itano, www.csmonitor.com (requires archive pass purchase)

"Cell phones plug Africa's poor into mobile banking," by Rebecca Harrison, <http://today.reuters.com>

Delaware Health Rewards Program offers state employees cash for staying healthy—and it works

In 2003, Delaware Governor Ruth Ann Minner launched a unique pilot program intended to improve health outcomes and reduce the cost of health care for state employees. The program, which won a Council of State Governments Innovations Award in 2004, split employees into three study groups in order to learn more about what kinds of incentives best help to improve health and reduce costs.

The answer, at least initially: cash.

All of the employees who volunteered for the program got a comprehensive health assessment, feedback and referrals if necessary, and a fitness prescription to improve health. Volunteers were then divided into three groups: one-third received two "fit stops" during the year, to measure their progress, and a final screening at the end of the year; one-third underwent the same regimen and, in addition, received monthly email surveys intended to maintain motivation; the last group underwent the same regimen as the first—without the email surveys—and, if they improved their health or maintained the good health with which they began, they received a \$100 reward.

All three groups showed greater improvements in health than a control group. Those who were offered cash saw the greatest improvement. "The idea that \$150 [sic] would convince someone to be more mindful of his or her health is, of course, completely absurd," wrote Josh Goodman in *Governing Magazine's* 13th Floor blog. "If the thought of dying young isn't enough to convince you to stay fit, it doesn't make sense that a relative pittance would make much difference either."

But the title of Goodman's blog post? "So Irrational, It Just Might Work."

The 100-person pilot program was successful enough to spark an expansion to 1,500 workers in September 2004. Delaware officials are quick to point out that the project is still an experiment, and that the data from the expanded program will show more significant results, but they estimate that the expansion alone will save the state health insurance plan almost \$1 million each year. ●

Links:

Council of State Governments Healthy States Initiative: www.healthystates.csg.org

Governing Magazine's 13th Floor Blog: <http://governing.typepad.com/13thfloor>

State of Delaware: www.delaware.gov

THE BOTTOM LINE:

Cell phones are now serving as virtual banks for the millions of South Africans without access to a traditional bank, allowing them to save and send money safely.

THE BOTTOM LINE:

Delaware's Health Rewards Program offers state employees cash for getting (or staying) healthy—and it saves the state money.



How I found a seat at the table and a voice in Minnesota's future

by Nena Street

I am about as Minnesotan as they come. I grew up in the western suburbs after spending the first few years of my life in rural Minnesota. I've lived in Minneapolis now for about 10 years, where my husband and I just bought our first house. At all levels of my education, I attended public school and I am now a 27-year-old law student at the University of Minnesota. Although my interests could have easily led me into business or public policy, I chose law school and plan to practice in the area of public finance—an area of the law that sits at the intersection of business, policy, and law.

I love this state. I plan to build a legal career, raise a family, and retire here. But the things I value most about my state are in jeopardy—health care, public schools, safe neighborhoods, stable property values, strong business, and great outdoor resources. This worries me; but my love of this state and my hope for its future inspire me to take action.

Although I did not cause the problems facing our state, I recognize that I must be part of their solution. And as a young professional, I am in a great position to do this. I have the right motivation, a good arsenal of skills, and a lot of energy to contribute to the effort. Recognizing that I wanted to help affect change was the easy part, finding the right organization to work with was tremendously difficult.

A frustrating search

There aren't many places where young people get a seat at the table during policy discussions, and fewer places where their voices are heard. Even though giving lip service to inclusion is common in policy circles, granting actual access to young people is not.

I also felt frustrated by the narrow focus of most organizations. I did not want to tackle one facet of the problems facing Minnesota, I wanted to wrap my mind around the totality of the problem and look at comprehensive solutions.

As mainstream political dialogue in our state became more divisive and less productive, I found it harder to believe that as a young citizen I could actually contribute anything meaningful to the debate.

Another reason that I struggled to find a good fit is that I am not driven by ideology. Nor do I think about policy or politics in absolutes. My passion for civic engagement stems from a deep commitment to developing an open, balanced, inclusive process. I am more interested in discussing fiscal priorities than hot button social policy issues. While discussing fiscal priorities, parties who disagree can make arguments and consider various perspectives. Other issues do not lend themselves to cool consideration and instead lead to entrenchment, which derails good process. I wanted to find an organization where I could connect with people with whom I disagree. I wanted to learn, discuss, and debate proposed solutions.

A place at the table

As mainstream political dialogue in our state became more divisive and less productive, I found it harder to believe that as a young citizen I could actually contribute anything meaningful to the debate. In this state of frustration a mentor introduced me to the Citizens League and I found a refuge in its mission. It didn't take long for me to dive into the Citizens League and become an ambassador of sorts to my generation. I am working hard to build membership in my

peer group and it's proving to be an easy sell. The mission of the Citizens League is just what my friends and colleagues are looking for. I believe that there is no better place for a young person to engage than at the Citizens League and young leaders are beginning to recognize this.

And it's a good thing that capable leaders in my generation want to join the Citizens League, because my generation will inherit this institution. On many issues, we will be the ones to execute the Citizens League's vision of good government and sound policy. Accordingly, to maintain its relevance and achieve its potential, the Citizens League needs to recruit and develop leaders from my generation. We bring new energy, new perspectives, and new networks to the Citizens League. To be effective, however, we need to learn how to be good leaders, and for that we need mentoring and support from current Citizens League members.

I will continue to grow membership among students and young professionals. That is my commitment to the Citizens League. As they join, I ask that you welcome them and give them a seat at the table, too. ●

Nena Street is a third year law student at the University of Minnesota and co-chair of the Citizens League Common Ground Membership Drive.

Perspectives is an opportunity to hear from Minnesotans about the issues that affect them and their communities and to bring new voices into Minnesota's policy conversations.

To submit an essay or suggest a topic for Perspectives, send an e-mail to Victoria Ford at vford@citizensleague.net.

Announcement

The Pohlad Family Foundation has awarded the Citizens League a \$10,000 matching grant for new memberships.

Help us secure ALL of the \$10,000 matching membership grant from the Pohlad Foundation!

Give a Citizens League membership as a holiday gift.

Check out the inside front cover for more ideas about recruiting new members!

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