



Summary of Meeting with Dan McElroy

Civic Caucus

Friday, Jan. 27, 2006

Present: Verne C. Johnson, chair, Chuck Clay, Jim Hetland. Via phone , John Mooty, Jim Olson and John Sampson

Dan McElroy, guest speaker

1. Who is Dan McElroy? The chair introduced McElroy, who is a former member of the Burnsville City Council, Mayor of Burnsville, member of state house of representatives, Director of Finance for Minnesota, Chief of Staff to Governor Pawlenty and currently holding the cabinet position of Senior Advisor on Innovation. He graduated from Notre Dame University.

2. The Civic Caucus is good news for the rest of us - our productive life expectancy is up —
For those of us who are considered experienced, there is still time to do much. For those who reach the age of 65, we can now expect 18 more years of active life. I am 57 and working on my personal 30 year plan.

3. My remarks today will mostly be about Minnesota — This is where I have the greatest experience.

4. We are seeing considerable innovation in Minn. with leadership at the executive level. Some great ideas still come from the legislature, but not as many as in the past.

It takes time to recognize innovation - we didn't immediately know that the Met Council or Fiscal Disparities were as significant and they now appear until they had time to impact the system. We only now recognize how innovative open enrollment and charter schools are. It is unfair to say nothing innovative has happened in recent years - it is too soon to write that history. Things like Sen. Kiscaden's flexible benefit health insurance plan, customer information report cards for schools, nursing homes, and health outcomes, the Smart Buy Alliance and other ideas will probably be seen as innovations in the future.

5. Minnesota leads the nation in so many areas statistically —

Number one in ACT Scores

Best education improvement in 2005

Number one in SAT Scores

Most Caring State by United Way

Lowest rate of uninsured

Second lowest poverty rate
Second most livable state in the nation
Second healthiest after Hawaii

6. The results are more than competitive - it is the process that is far from perfect. We have to be concerned about maintaining great results when the current process needs work.

PRINCIPAL AREAS OF CONCERN

7. Politics and policy are distinctly different — Politics is the process of getting elected. Policy is the result of governmental action or inaction. Today there is an excessive emphasis on politics and far too little on policy. Some people have tuned out policy because they are fed up with politics.

8. Too much specialization by legislators and other leaders today — The broader public interest legislation is being adversely affected by a multitude of single issue organizations and special interests. We need more generalists and more people with a broad viewpoint on public policy.

9. Absolutism scares me— We need more comity and collaboration than we have been seeing.
— As Tim Penny says "We may not change our tune, but we can change our tone." Respect for the differing views of others needs more respectful listening. Too many people think they are absolutely right and anyone who disagrees is absolutely wrong.

10. Centrists have given up on the caucus system and no longer participate. This is not an answer until or unless the law is changed. Centrists must participate. I am a centrist and I will produce at least 125 people at our next caucus.

11. Support an earlier primary election date — Although I am not confident that the change can be effectuated, I favor an earlier - say June - primary election date as a means of lessening or eliminating the influence of the caucus system. Until this happens centrists must become active within the two party system.

12. Party designation for legislators should be abandoned — It was a mistake to require party designation for legislators, as has been asserted by previous caucus speakers such as Bill Frenzel..

13. Grouping legislators by party in separate offices is unsound and should be abandoned — We need to encourage more intermixing and exchange of thinking. We need to get to know each other better. The separation by partisan groupings is a serious mistake.

14. Redistricting in Minnesota is not a serious problem — Most redistricting in recent years has been by a judicially appointed body, not by the legislature itself. Making competitive districts in portions of Minnesota is not possible. But my preference would be for judicial led redistricting, if the necessary change could be made.

15. Require the senate and house to operate with joint standing committees — I introduced an even more sweeping bill as a legislator - patterned after the system in Sweden, which makes the house the dominant legislative entity with the senate having to approve in certain areas. Joint committees are more realistic and are used in 29 states.

16. Campaign financing needs to be far more open than it is — By far the best remedy for the campaign finance problem today is to assure that any and all contributions are made public. With today's electronic ability, this could be all but instant and on-line.

ENCOURAGING SIGNS

17. Examples of Encouraging Developments in Civic Affairs — The evident **Citizens** League revitalization is reassuring, as is the impressive and creative use of the internet in reaching a broad audience by the **Civic Caucus**. I applaud the **20-20 group** in the legislature. **The Hubert H. Humphrey Institute**, under the leadership of Tim Penny and Vin Weber is sponsoring significant discussions. I applaud **Wy Spano** for what he is doing in Duluth. Also producing good work is **Hamline University and the Itasca Conference** —These are but examples of the encouraging developments I am seeing.

18. The important issues involve education, health care and transportation & they are being addressed — It is simply not true that social issues are diverting Minnesota legislators from these real issues. The legislators don't spend 5% of their time on these divisive issues.

19. Do not favor a multiple party system for Minnesota — Third parties draw away centrists from the two major parties, which leads to polarization and paralysis of the legislative process. This is the seemingly easy way out, but in actuality it is not.

20. Minnesota's population growth rate is slowing with the prospect Minnesota might lose one congressional representative in the future — This should concern each of us and should lead us to insist on competitive advantage over other states. Increasing taxes significantly in what is now a high tax state will not prove constructive. We must learn to do more, better, with less.

21. Urge that the civic caucus invite in younger thought leaders than you have to date — We should listen to leaders like Steve Schier, Sean Kershaw and others. The younger and the older should be actively involved and in a way that assures listening to each other. Other highly respected thought leaders might include John Hottinger and David Jennings.

22. The degree of Minnesota dependence on debt financing is not worrisome — All projects are capital items which will be used by the next generation. Our debt rating is fully competitive with other states; indeed Minnesota has one of the best debt ratios in the nation. Our state's balance sheet is sound.

23. The state of Minnesota, in holding the line on taxes, is not increasing the dependence on local government for financing — Property taxes are lower in most places than in 2001, before the takeover of basic school funding. The current system works when there is a connection between those who pay, those who benefit, and those who decide on spending. Decisions weren't always best when 70 or 80% of some budgets were paid by Local Government Aid or commercial and lake shore property whose owners couldn't vote in local elections.

24. Governor Pawlenty's no tax increase pledge does not pertain to future sessions of the legislature. The Governor has said that he doesn't need to sign future pledges - his record speaks for itself. Keep in mind that all of our neighboring states have also held the line on taxes and several area Democratic Governors have made promises similar to that of Governor Pawlenty.

25. We should move away from the concept of the gas tax and think more of "fuel taxes." — Ethanol is coming, as is bio-diesel and perhaps hydrogen . Our transportation energies should be directed at how well we spend in meeting our transportation needs and on dedicating the motor vehicle sales tax to transportation. Efficiency is also an issue: for example we have 1,200 more transportation employees than Wisconsin. The amount of gas tax collected has nearly tripled since 1981 even though the rate has stayed the same.

26. We should be thinking in terms of a new concept for light rail - there are exciting new options — We need to increase our usage of innovative transit for the future.

27. In response to a question concerning the effectiveness of the "no child left behind" legislation, McElroy stressed the vital essentiality of empowering the parent. — This is central to the needed improvement. We could and should be doing this at the state and local level.

28. Minnesota's key problem is not lack of good executive leadership — Paralysis is primarily caused by political factors such as the strategy most likely to win control of the legislature. DFL leaders discovered that gridlock led to blaming the governor and incumbents and resulted in the DFL winning additional seats in the legislature. It is a bum rap to claim the governor did not show leadership.

29. Thanks — The chair commended McElroy for his amazing detailed understanding of such a wide range of issues and for the coverage of so many issues in so short a time and announced that our next thought leader would be former Mayor George Latimer.

***The Civic Caucus* is a non-partisan, tax-exempt educational organization. Core participants include persons of varying political persuasions, reflecting years of leadership in politics and business.**

A working group meets face-to-face to provide leadership. They are Verne C. Johnson, chair; Lee Canning, Charles Clay, Bill Frenzel, Paul Gilje, Jim Hetland, John Mooty, Jim Olson, Wayne Popham and John Rollwagen.

Click Here to see a biographical statement of each.