



Summary of Meeting with David Zentner

Civic Caucus, 8301 Creekside Circle, Bloomington

Friday, June 30, 2006

Guest speaker: David Zentner, co-chair, 2006 Rally for Ducks, Wetlands and Clean Water

Present: Verne Johnson, chair; Chuck Clay, Paul Gilje, Jim Hetland (by phone) Jim Olson (by phone), Wayne Popham (by phone)

A. Background and introduction— Verne described for Zentner the objective of the Civic Caucus to develop a prototype for public affairs information and education by making extensive use of new technology. We have almost 400 participants via email, utilizing a small core group that meets personally with resource persons.

Our current effort, Verne explained, is reviewing the question of whether the state's constitution—rather than state law—is the appropriate vehicle for providing revenue for selected state functions and services. We're now intensively evaluating a proposed state constitutional amendment to be voted on in November to dedicate the state's motor vehicle sales tax (MVST) to transit and highways. Today we're visiting with David Zentner about a proposal for another amendment that didn't make it on the November ballot—to dedicate a portion of the state's sales tax for clean water and wildlife habitat.

Paul introduced Zentner, resident of Duluth, a former member of the board of the Minnesota Pollution Control Agency (MPCA), an advocate for Voyageurs National Park and the Boundary Waters Canoe Area Wilderness, a past national president of the Izaak Walton League, a co-chair of a task force on reform of the Legislative Commission on Minnesota Resources and a major leader of rallies at the Capitol in 2005 and 2006 on behalf of ducks, wetlands and clean water.

B. Comments by Zentner and discussion— In Zentner's presentation and in the discussion the following points were made:

1. Respect for the issues being considered by the Civic Caucus — Zentner said he has reviewed several summaries of our meetings. It is obvious from the questions and the record of the meetings that the group has deep concern over the democratic process and has great pause over the question of what belongs in the constitution. He said he understand and respects this concern.

2. Real issue is much larger than a constitutional amendment for clean water and wildlife habitat— While the constitutional amendment is the talking point, the real question is Minnesota's stewardship of a treasure that has been enjoyed for hundreds of years, its natural resources of water and wildlife.

3. What's at risk— Under the federal Clean Water Act of 1992 the MPCA is required to identify the quality of all state water. Some 40 percent of the state's waters surveyed by the MPCA are not fishable; some 99 percent of the state's natural prairie is gone.

4. Why turn to the constitution— Zentner paraphrased a well-known quote that "if you keep doing what you're doing, you'll keep getting what you're getting." Working through the Legislature seeking appropriations for water and wildlife has been the standard approach, but that doesn't seem to be working. Appropriations were \$228 million a year in 2001, and \$155 million a year in 2005. The base budgets for natural resources were cut by \$50 million between the biennium ending June 30, 2003, and the biennium ending June 30, 2005. In 1978, 2 percent of the state's general revenue went for natural resources. Currently, 1 percent goes for natural resources. Think, he said, about the pressures caused only by increase in our population over the last 30 years. Preservation of our natural resources is absolutely critical to the state's economy, he said. Lack of success in the Legislature has prompted the outdoors advocates to turn to the constitution. To illustrate the long term nature of the effort, Zentner recalled some tapes he listened to in 1988 in which then State Sen. Warren Munger was articulating the need for natural resource funding.

5. Next steps under review— Leaders of the unsuccessful effort for the water-wildlife amendment are meeting next Thursday, Zentner said, to take a hard look at what has happened and what next strategies will be. It isn't clear at this moment, he acknowledged, whether or not the transportation amendment establishes a good precedent for water and wildlife. Zentner and others at the meeting agreed that several questions are difficult to answer. If the transportation amendment succeeds, will the Legislature be more willing to vote for water and wildlife revenue protection? Or will the Legislature halt such additional amendments? If the transportation amendment fails, will voter rejection of a transportation proposal mean that the Legislature won't submit additional such amendments on other topics?

6. Why Legislature is not responsive— Responding to a question about the lack of an adequate legislative response, Zentner recalled that when he served on the board of trustees at Northland College, Ashland, WI, Stuart Udall, former Secretary of the Interior, spoke at the college. At that time protection of natural resources was a bipartisan effort. When the Reagan era began, it seemed as if new natural resources appointees were political ideologues. But Zentner said he admits he can't fully understand the changes. Zentner said that some interests seem to be trying to break up a fragile coalition of organizations that has been working for a water-wildlife amendment. He said it is very important to keep the sporting and environmental advocates in the same room.

7. Evidence of serious flaws in the electoral system?— Zentner was asked whether the system of nominating and electing individuals to the State Legislature needs to be changed. Minnesota used to lead the nation in making democracy work. How can the system be changed so that the state can be a leader again?

Zentner recalled that a different attitude seemed to be present in the Legislature 20-30 years ago. At that time it was possible to have reasonable dialogue over contentious issues. Now once the session begins, real conversation seems hopeless. Legislators themselves aren't bad people. But they are operating in a system that is very manipulative and closed. All decisions seem to be made by the top leadership in the Legislature. During the debate on the water-wildlife amendment, Zentner said a

legislative committee voted in a way that wasn't acceptable to the legislative leadership. So the committee was required to reconvene and change its decision.

Zentner hopes that perhaps a bipartisan group in the next Legislature can get the state going again in the right direction. Zentner doesn't quarrel with the need to change process and structure, but he concentrates on people.

Another person said that years ago the Finance Committee would make decisions on programs to be funded, and that the Tax Committee would then have the responsibility to find the revenue. Now, he said, the process seems to be reversed, with the Tax Committee making its decisions in advance. More interest seems present in relating taxes to preserving personal wealth than to providing for services like education. Questioned about whether Minnesota standing nationally as a higher-tax state, Zentner said that Minnesota's always had a thriving business economy, even in those days when our tax level was higher than today.

8. Adequacy of funding proposals— It was noted in the discussion that the proposed transportation amendment would meet only 13 percent of unfunded state trunk highway needs. Zentner was asked how far a water-wildlife amendment would have gone in meeting water-wildlife needs. One proposal, he said, would dedicate 3/8 of a cent of the state sales tax, raising about \$270 million. Were that to be approved, some 50-75 percent of natural resource needs would be realized. Another proposal would dedicate 1/4 of a cent, which would enable about 45 percent of needs to be realized. (The House bill would have taken revenue from the existing sales tax. The Senate bill would have increased the sales tax.) Zentner said the Minnesota League of Conservation Voters might provide better data.

9. Following approach used in Missouri— A proposed natural resources amendment for Minnesota is similar to a system in existence in Missouri since 1978, Zenter said. There, 1/8 of a cent of the sales tax is dedicated to natural resources by the state constitution. A four-person commission decides how the revenue should be distributed, without legislative involvement.

10. Making the fullest use of fees— A brief question was raised whether fee options have been fully utilized. A member recently was on the North Shore, stopping at several state parks for a few hours each. For such stops, the visitor doesn't pay an entry fee or a parking fee, and still can hike around the state parks.

11. If an amendment is worth its risk— The possibility of a natural resource amendment backfiring was raised. That is, if such an amendment passed, might the Legislature deny other funding to natural resources, thereby neutralizing the potential benefit of an amendment? Zentner said that based on experience over the last several years, the risk is worth taking. If the amendment passes, then the revenue guarantee would be a floor. It would expand with inflation.

C. Thanks— Verne thanked Zentner on behalf of the Civic Caucus. Verne praised Zentner for his passion and persistent leadership.

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.