



Ted Kolderie, Center for Policy Studies

Interview with The Civic Caucus

8301 Creekside Circle #920, Bloomington, MN 55437

March 9, 2012

Notes of the Discussion

Present : Verne Johnson (chair), David Broden (phone), Janis Clay (phone), Pat Davies, Paul Gilje, Sallie Kemper, Clarence Shallbetter, Dwight Johnson, Dan Loritz, Tim McDonald

Summary of discussion - Ted Kolderie, Senior Fellow at the Center for Policy Studies, offers one definition of Minnesota's vision: "to be and remain the best state in America." This has been our vision, he said, and can be for the future - but coming to consensus on that definition requires a new generation of leadership to commit to the charge.

A. Introduction of speaker - Ted Kolderie has worked during his career on large public-sector systems design and legislative policy. Through the 1960s and '70s, he focused on urban and metropolitan affairs and public finance. He began working in the 1970's with questions about the redesign of the operating side of the public sector with the Public Service Options project. He was involved nationally on these questions with the Rand Corporation, SRI International, the Urban Institute and others.

During the 1980's he ran the Public Services Redesign Project while at the University of Minnesota School of Public Affairs. By mid-1980 the project's work began to focus on the redesign of K-12 public education. He and his associates developed Education|Evolving as a 'design shop' for education strategy, state and national. Since 2009 he has again been closely involved with the broader questions about the redesign of major public systems, both governmental and non-governmental.

A graduate of Carleton College and of the Woodrow Wilson School of Public Affairs at Princeton University, Ted was previously a reporter and editorial writer for the Minneapolis Star and Tribune, executive director of the Citizens League and a senior fellow at the University of Minnesota's Hubert H. Humphrey School of Public Affairs.

B. Background - In recent months the Civic Caucus has encountered many speakers returning frequently to the theme of Minnesota's lacking a well defined, broadly accepted overall vision for the future of the state. We invited Ted Kolderie to share his response to the following summation of the Caucus' present assessment of this issue:

Vying for status in an increasingly competitive global market requires a concerted effort if Minnesota expects to succeed as a "top tier" state. Citizens, business interests, government and civic institutions need to rally around a clear vision of what the state should be striving for in order to retain its prominence. In brief, the issue could be stated:

THE PROBLEM: Minnesota lacks a unified vision.

THE GOAL: The state should have a sense of direction and common goals.

THE STRATEGY: Get back to work on being the best state in the country.

Members of the Civic Caucus believe this issue is sufficiently concerning to warrant further discussion focused specifically on this problem. In our meeting today, Ted Kolderie responds to the Caucus' definition of the problem, reviews the state's history of uniting around a common vision and suggests ways to adapt that historical approach to meet present circumstances. The following notes summarize his remarks during the discussion.

C. Kolderie's Response.

Step one: Don't talk about the need for a vision.

"Visions' are hard concepts to define," Kolderie began. When Harlan Cleveland was at the Humphrey Institute he brought in James Callaghan, the former prime minister of Britain. In a discussion at the Institute Callaghan said: "I don't think there was ever anyone better than I was at knowing what the boys in the Tea Room would go for. But I have no vision of the future".

A statement of vision must meet several tests. It must be substantive. It must be aspirational, but at the same time, realistic. And finally, it must be simple.

Citing other good examples, Kolderie recalled that Dean Acheson once proposed that we're trying to create a world in which we can live in peace and continue to develop our own society. That's a good aspirational vision, Kolderie said.

He also cited a strategic director from a Minnesota business that sought a worthy vision for his company. He went into a company retreat with simple question, "how can we become a great corporation?" That's simple, but an example of a vision with substance, Kolderie noted.

Instead, see that Minnesota has always had a vision.

Minnesota has always had a vision, Kolderie said. The people that came here from the Atlantic states brought with them a desire to have here in the Midwest communities and institutions as good as the ones they remembered out east. The vision was then, has been through the years and is now: to have here institutions of top national rank.

Minnesota has always wanted to "punch above its weight" - to account for more than the 2 percent (now closer to 1.5 percent) proportion it represents of the national population. And we've done that, Kolderie said. We have had a couple of candidates for Presidency, two members of the federal

Supreme Court. We largely grow our own business and in the Twin Cities have the largest number of fortune 500 companies per capita of any metro region outside of Manhattan.

"I grew up in Omaha. Nebraska looked up to Minnesota - they always beat us in football," he added. Minnesota was always a "big deal".

When the Federal Reserve System was established, Minnesota claimed one of the Fed's bank locations. Minnesotans have always wanted to have a high quality of life, a quality of life in general that was superior to that of other states.

In his 2003 research analyzing the effectiveness of state governments, Jack Frymier took every statistic he could find on the states to generate an overall ranking. His book *Culture of the States* (<http://tinyurl.com/7vzabbq>) shows beyond any question that Minnesota is the best state in America.

"Minnesota sells a high quality product at a high price," Kolderie said. "We're about good public housekeeping, municipal maintenance, public infrastructure and public services. Plus we value highly our private arts and cultural facilities. We have the lowest proportion of medically uninsured. I remember Minnesota being proud during the 1940's of having the lowest rejection-rate in the military draft. The list goes on and on. You see this in Frymier's book." Not all states seek those same goals, he added. Some sell a low quality product at a low price. Some have lower quality at a similar price. Dan Elazar, a political scientist noted for his work on political culture, described Minnesota as a "culture of the commonwealth."

Two requirements must be met to be the leading state.

Kolderie said two components appear necessary for Minnesota to have maintained a leading position among states: our ability to leverage our resources effectively and our ability to adapt and change our institutions.

Combine resources to compete effectively . We recognized early on that we had to combine our resources to produce institutions — academic, cultural, corporate, civic and governmental — big enough to compete nationally.

This pattern was established early. In the mid-1860's, the legislature decided to combine the state and land grant universities and locate the combined institution in the state's population center as the University of Minnesota. Minnesota was the only state to do this, Kolderie said. "Divide your resources for elementary-secondary education", President Folwell famously said, "(but) concentrate your resources for higher education. Found but one university."

People in Minnesota instinctively and collectively accepted the notion that the health and prosperity of the metropolitan area gave Minnesota a status other nearby states did not have. In the 1960s the legislators purposefully sought not to have the different parts of the region go to war with each other as some were doing elsewhere.

As a consequence we have almost everything in the Metro: the University, the state capital, the prison, the state fair, the headquarters of most all major corporations, the theater and arts. Substantially all major communal assets are concentrated here.

Encourage institutional adaptation . The second factor in becoming a leading state, Kolderie said, is our having had civic and government institutions with a superior ability to adapt and change. These days, however, this is tougher because the challenge now is to re-make existing institutions rather than to develop something completely new.

In the late 1950's when the question of major-league professional sports appeared, the question was whether Minneapolis and Saint Paul wanted to be the 27th and 43rd largest cities in the country; or whether they'd think of themselves as one community and be 15th largest. There was no debate about it, Kolderie said. Private sector leaders, including the corporate CEOs, committed to regional unification.

Three major challenges face us today.

The enduring vision of Minnesota, one that John Fisher, the editor of Harper's Magazine, summarized as *The State that Works*, faces three major challenges:

1. **Scale:** Everything's getting bigger nationwide- businesses as well as populations - and it's easier for other states to get bigger than for us to get bigger. Today as the local business firms grow to be more international in scope their headquarters town is becoming less important. For some the tradition holds on, but it's becoming less and less influential. Part of our problem is we have no "hinterland", Kolderie said. He said he'd once challenged someone from the baseball world about the Twins' being a "small market team". "I noted that Minneapolis-Saint Paul is larger than several other cities not described as 'small-market'." The response was, "But you have no hinterland." Lloyd Johnson said much the same thing when he was CEO of Norwest Corporation. "We're the headquarters for the North Woods and the Northern Plains," he noted. "Nobody lives there", was the response. And Norwest went to the West Coast.
2. **The fiscal challenge.** We used to run a split-level state - the state provided one level of service statewide, and if Minneapolis and Saint Paul or Hennepin and Ramsey counties wanted to do something extra they'd add their own level of service. For example the state would pay for the inner two lanes of a road. If four lanes were needed in the metropolitan area, the local counties paid for the additional two lanes.

After the election of 1972 when the DFL took full control of government their program was essentially to spread the metropolitan level of service statewide to schools, universities, hospitals, roads. That has naturally put some pressure on the state budget.

More recently the constraints on spending, partly economic and partly political, have put our basic deal of a high level of service at a relatively high price at risk, Kolderie said. Can we keep up the high quality?

3. **Deterioration of civic infrastructure.** In his 2006 speech, *The Cold Sunbelt* (see <http://tinyurl.com/3fws35o>) Kolderie listed several forums in which serious issues used to be studied and discussed. With their disappearance or decline we have lost a lot of our capacity for raising and resolving issues, anticipating opportunities and problems, and generally operating as an opportunity-driven polity, rather than a crisis-driven state.

"I'm cautious currently about the fact that we're so much into cursing the darkness. We just spend so much time talking about what's going wrong and not identifying opportunities and responses."

Minnesota defies national perception.

The Metro region had a big economic sag after World War I, and during the Great Depression. In 1936 *Fortune* wrote about the decline of the Twin Cities, basically saying, "It's over". The timber was gone; the milling industry was moving out or dying; now the truck strikes had ended the ability to exploit labor.

But Fortune could not have been more wrong. Ten years later a huge revival of civic and economic life was under way. The businesses grew up and became national. We built an airport and were back to the theme of doing big things well. In the '70s we were the only growing northern metropolitan area.

During WWII young people in business and law began to gather in networking groups - "cells" - that eventually combined to become the Citizens League. The DFL pulled itself together. Mayor Hubert Humphrey got busy changing Minneapolis.

Kolderie said he thinks a large part of this growth had to do with the Cowles' arrival, putting together the three Minneapolis newspapers. They turned their attention toward supporting the development of a strong civic, business, and governmental culture, cleaning up the police department, ending isolationism, getting rid of the anti-Semitic tag that had been hung on Minneapolis.

Other cities have had a vision, Kolderie observed: Denver had a good intuition, as many Chicago institutions moved to Washington, to become the Western capital. Indianapolis decided they would become the collegiate sports center. Atlanta had a campaign called "America's Next Great City", though that didn't work out as planned.

Get to work on making Minnesota a leading state.

We want to be "big time". We want to stay in the top tier, to remain, as we are now, the 16th largest in the country. We want to continue to be at the top of all the "best of" lists.

Leadership will need to emerge among the next generation to build a productive civic culture up again. "We're going to have to start over. We can't impose the old way on the new systems. We need to prune down to the roots and let the plant re-grow."

He provided some steps:

- A group could make a proposal to one of the local foundations to finance a study defining where Minnesota stands currently with respect to the goal of being a nation-leading state.
- A successful vision needs a method to assure follow-up. Something useful a group of civic-minded individuals could do is set down a series of benchmarks that the state would want to meet. First you want to know where we are, then what would represent a measure of progress and a good rate of progress. The group could follow the old Citizens League process of doing research, determining findings, drawing conclusions, and making recommendations.

- If that group could get some money, it could develop a 'report card' on key areas, showing realistic goals and benchmarks to measure progress.
- The group could identify and then link/network with other individuals and groups sharing this vision.

The business community used to be the key leaders in this kind of effort because when headquartered here and when run by people who grew up here and when doing much of their business here they had a vested interest in Minnesota's success. But with globalization, business leaders are too often less concerned with the local community than before. Their focus is now national and international. Consequently, we need to engage the "can't run" institutions in the state, those whose success is still closely aligned with the success of the state, as business used to be. Governments, arts and cultural institutions, hospitals, foundations - those are the ones you have to build on, because those are the ones that are firmly planted here, Kolderie said.

C. Closing -

To close Kolderie said the main task for those seeking to move Minnesota up is to remind the state of what its vision has always been and to organize with others invested in the state's success to do the work needed to realize that vision. He suggests that we start by assuming that Minnesota has this vision, then networking to find people who share this vision and who remain deeply invested in the state's success. He advises organizing with this group to get them contributing to a strategic plan - perhaps with an open-source format - for implementing the vision and meeting the benchmarks. He suggests this would be an effective way to "start building a bigger thing than you have around this table."

The chair thanked Kolderie for the helpful visit.