



Sean Kershaw, Executive Director, Citizens League

Citizens League focuses on new model for policy development and implementation

An Interview with The Civic Caucus

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Notes of the Discussion

Present

Dave Broden, Janis Clay, Pat Davies, Sallie Kemper, Sean Kershaw, Dan Loritz (chair), Paul Ostrow, Dana Schroeder, Clarence Shallbetter. By phone: Randy Johnson.

Summary of Discussion

Citizens League Executive Director Sean Kershaw recognizes that Minnesota's civic infrastructure is not the same as it used to be and that many policy problems are more complex than they used to be. To address these changes, the League's new mission focuses on "building civic imagination and capacity." The Citizens League has a civic policy agenda with two tenets: (1) Every individual is a policymaker; and (2) Every issue has a role for every institution. Kershaw says the League is attempting to frame its work with a view to demographic changes that will take place by 2025: labor force growth will essentially stop and the baby boomers will begin to hit their 80s. He says the Legislature is not the only solution to policy problems. The Citizens League, he points out, now involves stakeholders in both the study and implementation phases of its policy work. Kershaw says that strategy can help to improve the framing of problems and build support for a solution from as many institutions as possible. He outlines five areas of the League's current legislative agenda: tax reform, Fiscal Disparities, Pathways to Prosperity, the Minnesota Prosperity Act (formerly the Dream Act) and long-term care financing.

Background

In 2003, Sean Kershaw became just the sixth Citizens League executive director in its 61-year history. He served on the Citizens League board of directors, starting in 1996. He co-chaired the League's 50th anniversary report, *Doing the Common Good Better*, prior to becoming executive director.

During his tenure, membership in the Citizens League has more than doubled, revenue has tripled and the organization is implementing an innovative new model for public policy called "civic policy making."

Before joining the Citizens League, Kershaw was deputy director for the City of Saint Paul's Department of Planning and Economic Development. He chaired then-Mayor Norm Coleman's e-government initiative and coordinated his information technology, charter school and education initiatives. Prior to that, he was planning coordinator for the Public Housing Authority in his hometown of Omaha, Nebraska.

Kershaw is passionate about active citizenship, civic organizing and good public policy. He is a founding member of the Active Citizens School, a young-adult civic leadership program, and is currently part of the Minnesota Active Citizenship Initiative. He serves on the board of the Greater Twin Cities United Way and teaches Sunday school.

Discussion

There are two pieces of context for understanding the current work of the Citizens League, according to Sean Kershaw, executive director of the Citizens League:

The first piece of context is the Citizens League's civic policy agenda. "How do you have impact in today's environment?" Kershaw asked. There are two variables in that:

1. Minnesota's civic infrastructure is not the same as it used to be. Minnesota was unique in the quality of its infrastructure, which allowed things to get done. "It's changed and eroded," Kershaw said. "We have to rebuild this infrastructure in order to have impact."
2. The nature of many problems has changed. The problems are more complex and they're happening in more places, he said.

He explained two tenets of the League's "civic policy agenda":

- First, every individual has a role in public policy. Everybody is a policymaker. "How do you build that capacity for people to govern for the common good?" he asked. "How do you build that decision-making capacity so they make better decisions for themselves and for Minnesota? How do you bake that into policy?" In other words, all individuals have the ability to impact public policy issues in their daily decisions and public policy should support this role and capacity.
- Second, almost every issue has a role for every institution. "What is the role of an institution in policy issues?" Kershaw asked. "How do the institutions themselves support individuals to be policymakers? In other words, each institution not only impacts public policy, it provides a means for individuals to build this decision-making capacity."

The second piece of context relates to demographics.

"We're going to frame a lot of our work on what happens to Minnesota in 2025," he said. In 2025, labor force growth grinds to a halt. Economic growth comes from productivity and labor force growth and we lose the labor force growth in 2025. The little growth there is will come from migration into Minnesota.

Also, he said, baby boomers will start to turn 80-plus years old. That's when health care and long-term care get really expensive. So, in one year, two things happen:

1. One of the legs of our economic stool is kicked out from under us.
2. One of the cost drivers in government goes up substantially.

"How do you frame all sorts of public policy issues through this 2025 lens?" he asked. "How is a particular policy reducing the cost of governance and how is it increasing productivity?"

"We've found this may be a good way of framing issues," he continued. "It's something people can understand. It's something they can see themselves in."

In looking to 2025, Kershaw said, Minnesota has to be a place that people want to move to from all over the world and we also have to do really well for people who were born here.

Given our current infrastructure, it's harder to have an impact today.

In response to a question, Kershaw said he acknowledged that it's sometimes difficult for people to have an impact today. "Everything that happens is defense. It's mostly stopping things from happening. If we don't rebuild our civic infrastructure, it doesn't really matter how many good ideas we have."

He said one problem with our civic infrastructure is an imagination question. On a lot of policy issues, people look to the Legislature as the only source of the solution. "For us, a lot of the success we had in the past was with legislative solutions," he continued. "That's not to say that the Legislature doesn't matter - it's a critical piece - but I would argue it's a diminishing piece."

In the new infrastructure, Kershaw would like people to imagine public policy not just as what happens at the government, but what happens in all sorts of institutions.

He said the League's mission is building civic imagination and capacity. Part of it is to shift people into a new way of thinking about policy and the role of institutions. The capacity part is how to get that done.

Kershaw outlined some of the issues the League is currently working on:

- **Tax reform.** "We're pushing as hard as we can language in a bill in both the House and the Senate that would evaluate on an ongoing basis all tax expenditures," he said. The bill would put together a commission to evaluate tax expenditures. The League is not overly optimistic about its passage. Forty percent of the budget is in in tax expenditures. He noted Minnesota's unusually narrow sales tax. "We should try to modernize the tax code for the economy we're in."

- **Fiscal disparities.** "Our stance is 'don't touch it,'" Kershaw said. He pointed out that the Mall of America is pushing to have its expansion and part of the existing mall be exempt from the fiscal disparities law, the metropolitan region's tax-base sharing program, which has been in effect since 1971. Part of the tax base they want to exempt would go back into a tax-increment financing (TIF) district. "It's sort of a case study in bad tax policy. It subverts the intention of fiscal disparities and it's a problematic use of TIF. There are many, many things wrong with it. We're pushing uphill on it. We think it's a horrible precedent to set." The League's staff is working on lining up cities as allies in the effort to protect fiscal disparities.
- **Pathways to Prosperity.** The Citizens League's effort is to move away from a professionalized service-delivery model of helping low-income people to a model where they help themselves more and where they're rewarded for work. "If you think of the 2025 framing, an enormous challenge for Minnesota is how to make the current population more productive," Kershaw said. "In all sorts of ways our antipoverty programs penalize people for work and for building assets."

The League is working with a model that puts groups of peers in relationship with each other around goal setting. It could be health, education and/or employment. They get a small cash reward for achieving their goals. The problem, Kershaw said, is that the reward counts against their asset restriction limits. The League is working on a bill that would remove that penalty for people who are participating in the program.

The Pathways to Prosperity project has good support from area foundations, he said. The League pays for the lobbying part of the project out of its own funds.

- **Minnesota Prosperity Act (formerly the Dream Act)** . The League is actively involved in supporting the Minnesota Prosperity Act, which would provide in-state tuition and access to financial aid for undocumented students. Even with federal immigration reform looking likely, state action on education access will be needed. With the demographic and workforce crunch that is approaching, Minnesota can't afford to create barriers to education for the students in our state.
- **Long-term care financing.** Kershaw explained that the League has a three-part strategy in the long-term care area:

1. Medicaid waiver. The League would like the Dayton administration to pursue a Medicaid waiver that would allow a coinsurance option, along with Medicaid, which would supplement people's long-term care insurance without requiring recipients to be impoverished. He said the League is actively pursuing the waiver option with the Department of Human Services. "It provides a graduated insurance option rather than the cliff we have," Kershaw explained.

2. New financing tools. The current reverse mortgage options are not very advantageous, because the fees are very high, he said. "We need some new reverse mortgage and savings products and that may require legislation. We need to work with the financial services community to devise new products."

3. Education campaign within the business community . There are tools out there to encourage people in their 20s, 30s and 40s to start saving for aging. The League is working with various

companies to understand how we can treat long-term care like a 401K. "We need to give people better information earlier in the process," he said.

The League was critical of the previous Dayton administration proposal for \$500 property tax buy-downs.

Responding to a question, Kershaw said the League is not working on the Local Government Aid (LGA) issue. But he pointed out that the League said that Gov. Mark Dayton's previous proposal for \$500 property tax buy-downs across-the-board was not good policy.

The Citizens League involves stakeholders in both the study and implementation phases.

Kershaw pointed out that in the process of coming up with ideas, the League is trying to build the support it needs to move those ideas forward. "This was very true on long-term care reform," he said. "We think it's true on the Prosperity Act. We're deliberate about the reality of building as much support from as many institutions as possible in the process to get it done."

He gave the example of the involvement of the Chamber of Commerce, Department of Human Services, care providers and recipients, Citizen League members and others in the development of long-term care financing strategy. These individuals, groups and institutions are now advocates for the League in moving the strategy forward.

The Citizens League is focusing on implementation.

"There are some issues, like postsecondary, where I think we need to be really, really active in the proposer mode, because there's a need for radically different ideas out there," he said. And there are some issues, where there are lots of good ideas on the table, where the League needs to be much more in the implementation mode. Someone needs to focus on moving the ideas forward.

"Right now we're trying to emphasize the implementation mode," he said. "That's where things are stuck."

Big reform is harder today.

In response to a question, Kershaw said it's going to be harder and harder to do "these big, one-shot changes," like charter schools and the Minnesota Miracle. "I'm not saying we don't need radical reform, though."

Politics is how things get done.

"I don't like this denigration of politics as being bad," he said. "How do you get things done if it's not through politics?" He's hopeful, because he believes the generation behind him is less cynical.

Should we change the process of deciding?

In response to a question, Kershaw asked, "If we were going to design a new Legislature, would we design the structure that we have? A lot of legislators have great ideas about changing the process of deciding. Not any one of them is a silver bullet. But even people who were there in the '80s say it's totally different right now and a much harder environment to get things passed or have a significant impact."

Focusing on smaller policy areas has been part of the Citizens League's success.

An interviewer commented that those who study public policy these days often look at issues very

broadly, studying whole systems. In the past, the interviewer said, the League would look at a small area and educate citizens and figure out how to change it.

Kershaw pointed to the example of the League focusing on financing in its work in the long-term care area. "I hope we're going back to that model. The Citizens League is a great mix of idealism and practicality."