



# Woodbury Mayor Mary Giuliani Stephens

Sometimes government should get out of the way

A Civic Caucus Gubernatorial Candidate Interview

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## Present

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## Summary

Policymakers have been looking at tomorrow's challenges and applying yesterday's solutions, says Mary Giuliani Stephens, mayor of Woodbury and Republican candidate for governor of Minnesota. She says sometimes the best policy is for government to get out of the way, because it isn't always the solution for every problem.

In the area of transportation, Stephens believes we put too heavy an emphasis on light-rail transit, which is hugely expensive and not as flexible as bus routes and bus rapid transit. She suggests that public/private partnerships with employers and ridesharing services could provide options for getting people to jobs in scattered locations.

Stephens says recreating the former State Planning Agency is worth exploring, because there is a great need to look ahead to 21st-century solutions. But she's not ready yet to say we should have a certain agency to do that. She says the Metropolitan Council's governance structure needs to be changed, as does its scope. The Council's members should not be appointed by the governor, she says. She discusses a council of government model for the Council, which would be made up of current elected officials at the city and county levels.

Stephens believes the governor must be involved from day one in the legislative process and laments the process that leaves so many decisions until the end of the legislative session. Decisions on large

omnibus bills are made by small groups, she says, excluding many legislators from the process. She says the current Legislature will have to deal with reconciliation of the state's tax system with the new federal tax law.

Stephens says we're operating our schools in a 19th-century model and need to give more local control to individual schools and school districts. She believes our school- funding formulas are outdated and is opposed to funding universal preschool education. To solve the education achievement gap, she says we must address not only the education piece, but also the underlying challenges facing families. She has a vision for a P-20 school system that would start with early education and go through high school and into college and careers.

## Biography

Mary Giuliani Stephens is mayor of Woodbury, Minnesota, and a Republican candidate for governor of Minnesota. With a population of over 70,000 people, Woodbury is the ninth largest community in Minnesota. Stephens has served as mayor since 2011. She served on the Woodbury City Council from 2007 to 2011. She is a graduate and former board member of the Minnesota Excellence in Public Service Series, a national leadership program that equips female leaders for service in politics and government.

Following her graduation from law school in 1977, Stephens worked for Moore, Costello & Hart in St. Paul, where she became a partner and practiced primarily in the area of construction litigation. She continued to practice law until 1993 and became active in the community, at her children's school, in youth sports, on the Woodbury Soccer Board and at her church. Stephens also worked part-time as an arbitrator and mediator. She continues to hold her law license, although she is not currently practicing law.

Stephens received her B.A. degree with distinction in political science and speech communications from the University of Michigan. She attended night school at William Mitchell College of Law in St. Paul, where she received her J.D. degree *cum laude*. She was a member of the *Law Review* and was active in the Student Bar Association. She grew up in Rochester and is a graduate of Mayo High School. She is active in the Lions Club, the Chamber of Commerce and at Eagle Brook Church.

## Background

Continuing its focus on Minnesota's competitiveness, since September 2015, the Civic Caucus has been undertaking a review of the quality of Minnesota's public-policy process for anticipating, defining and resolving major community problems. On November 27, 2016, the Caucus issued a report based on that review,  *Looking Back, Thinking Ahead: Strengthening Minnesota's Public-Policy Process*.

In October 2017, the Civic Caucus began a series of interviews with major, announced candidates for the office of governor of Minnesota. The interviews are centered on what can be done to keep Minnesota and its people competitive in a number of realms. This interview with Woodbury Mayor Mary Giuliani Stephens is the eighth in that series.

## Discussion

### Opening Remarks.

**Minnesota stands at an important intersection in the state's history, with the challenges of economic change, rapid innovation and demographic transformation.** Woodbury Mayor and Republican gubernatorial candidate Mary Giuliani Stephens said she wants to bring her record as mayor and as a Woodbury City Council member to the whole state as governor. Her priorities when she first ran for city council were job creation, economic development and making government efficient and effective.

During her 11 years as council member and mayor, she said jobs in Woodbury are up over 17 percent and the city has added over 2,800 new housing units. Over the last four years, over 270 new businesses have opened in the city. She said Woodbury has consistently been recognized as one of the best places to live—not only in Minnesota, but in the rest of the country, as well.

Stephens said she is running for governor because the governor's office requires chief executive experience and a champion who has a creative, can-do, common-sense approach.

**Policymakers have been looking at tomorrow's challenges and applying yesterday's solutions.** Stephens said Minnesota is one of the highest-taxed states and our tax climate has become more burdensome. The education achievement gap in the state has gotten worse, she said, and our infrastructure continues to deteriorate while we have polarized discussions on transportation investments. And families throughout the state are struggling, because there are too many low-paying jobs and not enough workers and job-connection skills.

"We need better answers," Stephens said. "I believe that sometimes the best policy is for government to get out of the way. Government isn't always the solution for every problem." She said we often look to government first to solve our problems and we're missing a lot of opportunities in other sectors, like business, faith communities and nonprofits.

**Minnesota is ready for a courageous leader who's focused and disciplined.** Stephens listed what she would bring to the office of governor:

- She has executive experience as mayor. She said she knows how to balance a budget, propose solutions and get things done.
- She's a bridge builder and her foundation is built on strong principles. "I don't lead a political life," she said. "I live a Minnesota life that happens to involve politics. I'm not out to grab headlines or score points with anybody. I want to do for Minnesota what I did in Woodbury. I want people to have an opportunity to thrive."
- She brings attributes Minnesotans are looking for in their governor: boldness, innovation, an understanding of the role of government and an understanding of what Minnesotans value.

### Transportation.

**Transportation is a core role of government.** According to the State Constitution, Stephens said, the state must provide funding for a highway system at the state, county and municipal levels. She said in looking at transportation funding and mobility funding, we must recognize the disrupters happening in the transportation world: autonomous vehicles, electric vehicles, rideshare services and the role of drones. "Part of the problem is that we're looking at tomorrow's challenges and applying yesterday's solutions," she said.

The gas tax is regressive, Stephens said, and better-mileage cars bring in less revenue. "It's probably not the right source of funding," she said.

**We put too heavy an emphasis on transit in Minnesota.** Stephens said most people think of light rail when they talk about transit. "Transit is bigger than that," she said. "The dollars are huge with respect to light rail. The infrastructure is permanent and it's being placed over deteriorating and aging infrastructure—wastewater, water pipes and sewer pipes. Light rail is not flexible, compared with a bus route or bus rapid transit, which have more flexibility and can adapt to changes and new technology." She said buses cost much less and dedicated bus lanes are accessible by emergency vehicles. We must set priorities, she said, and when we invest in one area, we can't invest in another.

**It's too early to tell what the impact of the current federal administration's policies will be on transportation.** Stephens said she's an advocate of the federal government doing less and giving funding to the states. And communities want states to let go of the money and give more back to the communities and school districts. But federal policy, she said, will be important to how the state makes decisions in transportation.

**We need to put more emphasis on our roads and bridges.** But, Stephens said, we must look to the future and not just limit our scope to deteriorating roads and bridges. "We need a bigger vision for what that's going to look like in the context of what these major disruptions are going to do," she said.

She said recent studies coming out of civil engineering schools are finding that millennials' behavior patterns aren't that different from those of their parents.

**There has been criticism that transit has been driven by community development interests instead of focusing on how to get people to jobs.** An interviewer made that comment and asked how we might better align options for transportation with getting people to jobs.

Our goal should be to move people and goods, Stephens responded. Buses and Metro Mobility, she said, are areas where we need to focus, whether in the metro area or in Greater Minnesota. "With a bus system, you can make a connection between where the jobs are and where the bus routes ought to be," she said.

The interviewer pointed out that 80 percent of the jobs in the metro area are outside of the two downtowns. "They're highly scattered," the interviewer said. "The bus system can't do a good job with highly scattered trip origins and destinations."

Stephens said Metro Mobility has a \$22 to \$27 per ride subsidy and that there are many challenges with the system. "The need is growing and the cost is growing," she said. "And this is a group of people we want to service."

Stephens is a member of the Metropolitan Council's Transportation Advisory Board (TAB) and said she has suggested studying public/private partnerships with employers and ridesharing services. "I think you can provide the same service for a whole lot less cost," she said. "That's an option to look at for getting people to jobs that are scattered all around. There are creative ways to solve those problems that aren't the typical inside-the-box, old ways of doing things."

### **State Planning Agency .**

**Should we have a State Planning Agency like we used to have?** (The State Planning Agency was formed in 1965 and abolished in 2003.) An interviewer asked that question and Stephens said she didn't know about the past State Planning Agency, but she wasn't ready to say yet that we should have a certain agency. She thinks our state agencies work in silos and as mayor, she has experienced their conflict and overlap, which, she said, lead to inefficiencies.

She said there is a great need to look ahead to 21st-century solutions, whether it's our education and workforce or our infrastructure or transportation. "It's definitely worth exploring, but it's too early to say," she said of the State Planning Agency.

### **PreK-12 Education.**

**How do people in city government look at the school district and the school board?** An interviewer asked that question and wondered how city government discusses the activity and the performance of the school board.

Stephens replied that the Woodbury City Council just updated its list of critical success factors for the city. One of those, she said, is education. "We don't do education, because there's a separate elected school board," she said. "But we know that without a successful education system, we aren't successful as a city. While we don't make the policy decisions, we know it's critical to our city's success."

She noted that there are three school districts in Woodbury: South Washington County, North St. Paul-Maplewood-Oakdale, and Stillwater. South Washington County includes the largest part of Woodbury. Stephens and the city administrator meet quarterly with the South Washington County School District superintendent, a school board member and usually someone from the school district's departments, such as finance or property. She meets yearly with the superintendents of the other two districts.

"We want to make sure we're coordinating where we can," she said, "because we overlap in a lot of programming. We don't want to be duplicative and we don't want to be wasteful."

**The way we operate schools is a 19th-century model.** Stephens gave that response to an interviewer's comments arising from the recent school shooting in Parkland, Florida. The interviewer said whatever troubles students have, whether it's academic performance or behavior, school boards never talk about changing school and schooling.

The interviewer said we see some of this in Saint Paul's public schools. "They talk about security, police, social workers, mental health and now guns, but they almost never talk about changing school," he said. He noted that there are a lot of 3,000-student high schools. "The day doesn't

change, the year doesn't change, schooling doesn't change, the organizational arrangements don't change—they tend to get larger and they don't change what teachers and students do," he said. "And they don't allow the schools to make the decisions about these things. Does that bother anyone in city government?"

Stephens said it bothers her and she'd like to see more local control at individual schools and at the school district overall. Reflecting on the Florida shooting, she said we tend not to get to the underlying issues. With respect to the school itself, she said, we're never going to prevent all disasters and catastrophes in the world we live in. "I would rather have good training for when something is going to happen than to pour a lot of money into the physical structure of schools," she said.

She said she doesn't know that having a large school versus a small school addresses the issue of a school shooting. The same interviewer asked if there's a risk of kids getting lost and really going bad, why is that helped by having such large schools? Stephens responded that the drive toward larger schools was to save on costs per pupil, although she doesn't know if it actually did that.

The interviewer asked Stephens to comment on the differences in the political and administrative leadership arrangement in Woodbury's city government and that in a school district.

Stephens noted that as mayor of Woodbury, she sits as chair of the city council and the council hires the city administrator. There is no ward system in Woodbury, so all the council members are elected at large, along with the mayor.

She said the school board provides policy. All of its members are elected, but the chair is elected by the school board, not by the voters.

**Money and government are not necessarily the answer to solving the achievement gap.**

Stephens gave that response to an interviewer's comment that we must address both the economic side for families with no housing or not enough food and the educational side to solve the achievement gap. Stephens said we tried putting in more money to solve the achievement gap and the gap got larger.

In some communities around the state, she said, the schools are partnering with some of the social services and nonprofits that are available in doing things like offering classes for mothers to teach parenting skills and providing mentoring and before-school and after-school programs. "If we just address the education piece, we'll miss the underlying issues and challenges faced by families," she said.

**Our school financing formulas are outdated.** Stephens said nobody has tackled how we're funding schools. "Local communities and schools have lost the ability to control some of that," she said. "We tend to think one size fits all—that if we send money to school districts, what works in Wayzata will work in Minneapolis. We need to allow for more flexibility and creativity in the financing formula. We can keep the same formula and we can keep sending more money, but we aren't seeing the results change."

"We need to get more local control back to the community and the schools," she said. She believes we could start with a pilot project that would allow an innovative public school district to give its schools more flexibility and more leeway to see what they could do in a more creative environment.

**Stephens is opposed to funding universal preschool education.** She said we must instead address the kids who are falling through the cracks and suggested pre-K scholarships might be an answer. That would leave more resources available for the kids who need help.

**Stephens has a vision of a P-20 school system.** She said such a system would start with early education and go through high school and into college and careers. She has an education policy team that is putting together a plan for such a system.

### **Minnesota's Public-Policy Process.**

**How do you get Democrats and Republicans to have loyalty to Minnesotans and not to their parties?** An interviewer asked that question and Stephens said the answer is to elect people who are not life politicians and who can transition from politics to being a policymaker.

As governor, Stephens said, she's not tied to any lobbyists or groups and she would base appointments on talent, experience, and the necessary skills and would not make political appointments.

"There are lots of ways to improve our public process to engage those who are most directly affected by the results coming out of a policy," she said. It's not an efficient public process to post a 600-page proposal and then ask citizens to comment on it online, she said.

**As governor, Stephens would be willing to work together with both parties to find solutions.** She said she would keep her priorities and wouldn't change her core values, but she knows the importance of getting all stakeholders around the table and trying to find the common ground. "Sometimes it's little steps and you must accept that it will take awhile to find a solution," she said.

**The governor must be involved from day one in the legislative process.** Stephens said there is some frustration with the process that leaves so many decisions until the end of the legislative session. "A lot is dumped into omnibus bills and then decisions are made by smaller groups," she said. "Many legislators feel excluded from this process. It needs to be an inclusive process."

### **Minnesota's Economic Climate.**

**The economic climate, education and competitiveness are key to attracting more talent to Minnesota.** Stephens said it's important to have an education policy that goes from high school to college to the workforce. The missions of colleges, universities and tech schools should align so that we're educating the workforce for the jobs that will be out there. "In order to attract businesses and talent, you need to have a competitive environment," she said.

**The current Legislature will have to deal with reconciliation of Minnesota's tax system with the new federal tax law.** Stephens said we need to reform our tax environment in Minnesota. "I don't propose that we be the lowest-tax state, given our quality of life and our climate," she said. "But we

need a goal of getting out of the top 10. We need to get competitive again in our economic environment."

### **Metropolitan Council.**

#### **A change in the governance and the scope of the Metropolitan Council is long overdue.**

Stephens pointed out that the Met Council was a creation of the Legislature to design and operate the wastewater treatment facility. Among other things, the Council is involved in parks planning and operates a transportation system.

In 2014, the Met Council came out with a plan called *Thrive 2040*. Stephens said the report extended the Council's scope by quite a bit to areas it had never done before, such as climate change, economic development and water. She believes that in expanding its scope, the council is becoming less effective. "They're an appointed body; that's not the role they should carry," she said.

She said the Met Council's governance structure needs to be changed, as does its scope. "There are council of government models and other models out there," she said. "The reason we have the Transportation Advisory Board (TAB) is because the federal dollars that come to us have to come to an elected body. Because the Met Council is not elected, TAB had to be created."

"I think there's a model that's better," Stephens said. "I don't know exactly what that is now, but I think it's long overdue." The council of government model would be representation by current elected officials, she said, not a newly created set of elections and a new body. "There would have to be a process in place for how they're selected, given that it's cities and counties that are affected by those policies," she said. "We need to get out of the partisan role of the governor choosing the Met Council's members."

### **Health Care.**

**Minnesota has had a pretty good health care system, although maybe we've gone backwards a bit.** Stephens said we want a system that provides high quality care that's accessible for medical and mental health issues. She would look at the following principles for a health care system:

- Allow patients to select their own health care providers.
- Support continuity of care in the finance and delivery system.
- Ensure competition among providers and payers.
- Support innovation in access and in health care services.

She said innovations in communications technology and, perhaps, partnerships between clinics and rideshare services could improve access to health care.

### **Affordable Housing.**

**One good model for affordable housing is Habitat for Humanity.** Stephens noted that Woodbury has more Habitat for Humanity homes than any city in the state, besides Minneapolis and St. Paul. "It's a great model," she said. "The people who live in those homes take great pride in

homeownership, they go through classes in finance and they put in sweat equity on their own home and often on the next Habitat home to go up."