In 1999-2000, Minnesota Planning sponsored 10 Listening Posts across the state. In late 2002, the agency returned to the regions to learn if citizens’ priorities have changed. The Litchfield meeting was the eighth of the second phase of Listening Posts. It was hosted by the Mid-Minnesota Regional Development Commission and attended by approximately 50 public officials and citizens.

Minnesota Planning is a state agency charged with helping develop a long-range plan for the state, stimulating public participation in determining the state’s future and coordinating activity among all levels of government. In addition to Minnesota Planning, the Minnesota Department of Economic Security was represented.

Don Winkler, Executive Director, Mid-Minnesota Regional Development Commission, welcomed everyone to the meeting and said how pleased he was with the good turnout.

State Demographer, Tom Gillaspy explained that three years ago, when Minnesota Planning held the first round of Listening Posts, the aim was to find out what issues were important to rural Minnesotans. The findings were used to inform the new Ventura administration. Now the aim is to find out what has changed. A document will be prepared which will be used to inform the new Pawlenty administration. He emphasized the importance of listening and said he was pleased that such a distinguished group had been assembled at Litchfield. “The Listening Posts have been a great fun thing to do.”

Jack Uldrich, Acting Director, Minnesota Planning, said that he had just left a briefing with the new administration on the magnitude of the state’s budget deficit – $4.5 billion. The environment is now very different from three years ago. Minnesota Planning wants to find out how the state can work with local communities to find a way through these difficult times.

Cameron Macht, Regional Economic Analyst, Minnesota Department of Economic Security, explained that the goal of the department is to share labor market information. The focus is now on regionalism and officials are anxious to find out what people think. Within the next two weeks, regions will be receiving Requests for Proposals to create regional workforce development plans. He encouraged local officials to work with the department to create a viable plan for the region.

George Johnson, GEIS Manager, Minnesota Planning, emphasized the importance of listening. He explained that Minnesota Planning is made up of a number of departments, including the State Demographer’s Office, the Land Management Information Center, and the staff of the Environmental Quality Board. Some key responsibilities are the siting of power lines and power plants. The Generic Environmental Impact Statement on
Animal Agriculture is a unique product, described by the *Star Tribune* as a “harvest of livestock data.” CDs containing all the information were made available at the meeting. Farming is extremely important all over Minnesota, but particularly in this area. As people increasingly move out from urban to rural areas, it is essential that communities can find ways to resolve the conflicts that inevitably arise.

Tom Gillaspy said that the State Demographer’s Office at Minnesota Planning also held “mountains of information.” He encouraged participants to call or to use the helpline.

Gillaspy said that population figures for the mid-Minnesota region reveal two dramatically different situations. Meeker and McLeod counties are showing the impact of population increases in the Twin Cities, as people are relocating over a wider area. “We would not have thought some years ago, that Meeker and McLeod counties would become part of an extended Twin Cities.”

There will be continued rapid growth in some parts of the region, particularly of the population in their 50s and 60s, with some increase of older people. As the population in the region ages, communities will need to focus attention on transit. Incomes are quite competitive in Meeker and McLeod counties, and there has been a drop in poverty across the entire state. A substantial proportion of the region’s housing was built before 1950 and there is a very low vacancy rate.

**Discussion – Facilitator, Barbara Ronningen, Minnesota Planning**

Participants were asked to work in small groups and consider the following question: If you had three minutes with the new Governor, what would you say are the three or four most important priorities for the mid-Minnesota region?

**Group 1**
- The budget deficit is a huge problem. The state’s shortfall is going to be pushed down to the local level. Unfunded mandates and levy limits are problems.
- Transportation investment is essential for the 212, 15 and 12 corridors.
- A policy to support rural schools is essential.
- Preserve the family farm.

**Group 2**
- Rural communities must learn to accommodate development and proceed in a sustainable way.
- Difficulties in intergovernmental cooperation must be overcome.
- Transportation management is key. The region must have the kind of roads needed to fuel the activity it needs.

**Group 3**
- Population decline is an issue – rural areas are losing their voice at the Legislature.
- Transportation and bonding issues must be addressed.
• The budget deficit will mean a shift to local governments to raise taxes.
• Intergovernment communication is key. There must be good communication between state and local governments so that there are no surprises.

Group 4
• Education funding is currently not working.
• Rural economic development is essential.
• Transportation issues are a high priority in this region, particularly the creation of an effective corridor into the Twin Cities.

Group 5
• Bureaucracy in state agencies is a real problem. Often advice from different agencies is in conflict. It took one community five years to get a health plan approved.
• Transportation in the region is poor. Highway 12 is a bottleneck. This has an effect on jobs and the willingness of companies to relocate.
• A better infrastructure for residential needs must be developed. Wastewater treatment is a huge issue in small towns.
• Affordable housing is a priority.

Group 6
• The disparities between government and the governed need to be addressed. There have been too many listening sessions that do not go anywhere. Those held by the Department of Trade and Economic Development at the 2000 Rural Summit are a good example.
• Transportation is a high priority.
• Other infrastructure needs are also important.

Group 7
• Transportation needs must be addressed. This will require an increase in the gas tax. “Do we have to remove the name tax to get legislators to listen?”
• There must be an equitable increase in education funding.
• The region needs a fair share of economic dollars.

Large group discussion

Transportation

“For four-lane highways guarantee thriving communities.”

The real issue is transportation management. It is not just about building more and better roads. Economic development, preservation and supporting an aging population must all fit together.

The money is available but it is not used for transportation. Income from the gas tax and license tabs must stay in transportation. The state needs to begin by effectively
maintaining the roads it does have. “If you go around the state, the infrastructure is falling apart compared with other states.” The state has got to increase the gas tax. “We haven’t had a raise in the gas tax since 1988.” The government may be right about bonding, but a gas tax is needed to pay the money back.

If major companies want to relocate to the region, they have to be able to move product. There are problems with flooded roads and roads that were repaired five years ago are just getting another overlay. “We are using band-aids instead of doing a correct fix.” MnDOT has a policy to do major fixes on corridors but cannot agree which to do first. There are corridor plans for Highway 212 but money is needed to proceed. This debate has been going on since the 1970s.

**Intergovernmental cooperation**

State government needs to reassess its priorities. For example, $135 million is being spent to build a bridge at Stillwater. It will be of most help to Wisconsin. Minnesota should be spending money to support Minnesota. Part of the problem lies in the way decisions are made. State government should set up advisory groups comprising experts in the field. This will ensure that they are making professional decisions, not political ones. Another problem is the failure of state agencies to work together. “Cooperation between state agencies is horrible.” The Stillwater bridge project originally was slated to cost $40 million. Environmental studies were already completed but were redone. It ended up costing taxpayers three times as much because state agencies did not cooperate with each other and because the Legislature gave in to strong-arm political groups.

Transportation problems are three-pronged:

- Basic funding is inadequate
- The funding is badly managed
- Intergovernmental cooperation at all levels is dysfunctional

Even at the local level it is difficult to agree on which road miles to fix. “How can we bring a clear message to the Capitol if folks at the local level can’t agree?” An on-the-ground network is required to devise a strategic plan for transportation because at the moment there is no plan. Perhaps MnDOT has a plan but if they have, it has not been communicated. There have been problems with the Association of Minnesota Counties for 16 years. County engineers are a dysfunctional group. There is a conflict between the Metropolitan Council and outstate groups.

**A rural policy**

A rural policy with a holistic approach is needed. Transportation should not be developed to the detriment of education. At the moment, both counties and the state work reactively, and there is no space and time to think forward. The Legislature should not be talking about a stadium when the state has other priorities.
Such a plan would include industrial development, housing, tourism and would be time-consuming. Serious attempts must be made to preserve the family farms that still exist. “For every family farm that we lose, we lose a business on main street. That is why we are losing population.” Government should establish advisory groups that have real weight and empower them.

A major problem is dealing with state agencies and the current budget cutting is going to put local government and state agencies in conflict. In the current economic climate, government needs a major rethink of how it funds projects in rural areas. The competitive grant approach does not work for small rural communities. Too much time and effort is expended in writing, reviewing and administering such grants. This is true in public health, wastewater treatment, human services and juvenile justice. These should be funded statewide and the money directed to specific programs. “The grant process implies a lack of trust that communities will use the money in a good way.” Directly funded programs would be more cost effective.

There are good models in the region of effective government cooperation. For instance, a major development of housing units went up in Meeker County and the Dassel comprehensive city plan was created in conjunction with Meeker County. “It should not be that difficult for units of government to work together.”

Communities should try to think more in new ways. For instance, hydrogen could be considered as a power source. Each county could have a power plant and store hydrogen. Jack Uldrich pointed out that Minnesota Planning is about to publish a report on the use of hydrogen, and the coming hydrogen economy.

Above all, it is important to have one articulate rural voice. Rural Minnesota will not secure all the things it needs with rural legislative advocates alone but will need the support of other legislators, many of them urban. “We need to explain the contribution rural Minnesota makes to the rest of state.”

There is also a misconception that rural Minnesota spends two dollars for every tax dollar raised. This is not so. If 85 percent of rural high school graduates leave, never to return, many are making a major contribution to the Twin Cities’ economy. Low-cost nursing homes in rural areas, providing long-term care for the elderly, are also supporting the Twin Cities’ economy. “Rural areas need to market themselves better. This is the heartland of Minnesota.” State jobs could effectively be relocated to outstate cities. Budget issues should not just be assessed in dollars and cents, but in terms of value for money. Similarly, rural communities should consider what metro projects to support. For instance, supporting light rail will leave more money for rural roads.

However, it is difficult to market an area effectively on a low budget. Economic developers expressed concern at having to compete with better funded urban areas. For instance, despite a five-county coalition and a carefully prepared economic development plan, the region lost out on funding to Duluth, which received $950,000 for a marketing
effort. “We can’t compete with the Minneapolis Convention Center or the Aquarium at Duluth.”

Education funding

Education funding is complex and things are not always as they seem. Part of the problem is special education, which is an unfunded federal mandate. Economic development dollars go to education for things like the jobs skills partnership.

The extent of excess operating levies across the state is a clear indication that the state is not funding education properly. This affects things other than education. As the state reduces funding for cities and counties will they reduce mandates? Communities are being given less money but asked to do more with it.

The region has a dwindling population, declining enrollment and too much bussing. If schools continue to be funded on a per capita basis, smaller schools need some compensation to cover the gaps created as numbers decline. The Governor-elect says he will not raise taxes, but local property taxes will have to be raised, perhaps even doubled, if education is to be funded properly. Some participants feel that property taxes are not too high, though referenda tend to pass in cities more than in rural areas. “People pay more for cable TV and phone systems than they do in property taxes. It is a matter of priorities. Rural Minnesota is declining because people don’t have their priorities right.”

A strong feeling was expressed that open enrollment has ruined rural school districts. Businessmen living in the community are sending their children to schools in other districts, so they do not have a commitment to the community. Sports were cited as the main reason for using open enrollment. “Legislation that turned open enrollment around would turn school district finances around.”

Concern was also expressed about decreased funding for Internet use in schools. No money has been earmarked this year. In general, the loss of categorical aids has been a mistake.

The state takeover of education funding is not working well. It was a policy devised when there were big surpluses in the budget, but now that the budget is in deficit, it is not working. It can only be successful if there is sufficient money in the formula. However, some participants feel that the problem is not entirely one of funding, but also a problem of spending.