

CENTER *for* RURAL POLICY *and* DEVELOPMENT

Seeking Solutions for Greater Minnesota's Future

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Executive Director's Note

High Speed Internet Service Key to Rural and Small-Town Minnesota's Vitality

by Brad Finstad



It's a familiar story: A bright, ambitious 22-year-old who grew up in a small Minnesota town decides to move to the Twin Cities after graduating from college because that's where she can find a well-paying job.

Everyone living in rural Minnesota can insert the names of numerous individuals they know into the story described above. It's no secret that much of the struggles today in our parts of the state—and throughout rural America in general—are directly tied to the fact that too many young people are moving away from our small towns and rural areas for "bigger and better opportunities" in the Twin Cities.

If you talk to young people who have moved away, most of them will tell you that they'd love to come back home to raise their own families where they grew up. Unfortunately, they say, the professional jobs back home are few and far between and they pay nowhere near what the jobs pay in

the Twin Cities.

It pains me to admit that what our former neighbors are saying about well-paying job opportunities in rural and small-town Minnesota is true. All, however, is not lost.

While they are still outnumbered by stories of our college graduates moving to the Twin Cities, more and more stories of young professionals from rural Minnesota moving back home are popping up.

Today, people can work from anywhere if they have access to high-speed Internet service. A woman I know works for a Twin Cities insurance company from her home between St. James and Sleepy Eye. A colleague of my friend works for a Twin Cities

INTERNET CONTINUED ON PAGE 4

Board Member Spotlight: Lois Mack

Lois Mack currently chairs the Center for Rural Policy and Development and has been a board member since June 2001. The Waterville resident has been an advocate for rural Minnesota her entire professional life.

Mack retired in 2005 after a career in public service and agribusiness. From 1992 until her retirement, Mack served as the conservation improvement and special projects manager for the Minnesota Department of Commerce.

Before her state government service, Mack worked for U.S. Senators Rudy Boschwitz and David Durenberger as an agriculture and rural economic development aide. She was also a partner in Whitewater Creek Grain and Feed, a family-owned business in Waterville. The business is now

MACK CONTINUED ON PAGE 2

2010 Legislative Session Priorities for Rural Minnesota

DFL Perspective

by House Majority Leader Tony Sertich



Rural values are Minnesota values. No matter where we live, we all expect good schools, access to quality and affordable health care, and a safe and reliable infrastructure to help build thriving communities. In this tough economy, the one word that ties all of these issues together is jobs. This session, as members of the Minnesota

House of Representatives vote on bills and work to balance the state budget, we will ask how each proposal saves or creates more jobs.

Minnesotans are used to watching the debate about the state's capital investment bill take place at the end of the session. This year, we will pass that bill first. Economists tell us the faster we get people back to work the faster our economy recovers and our budget deficit shrinks. More Minnesotans earn a paycheck, more families are out of crisis and companies take full advantage of the 2010 construction season.

From the Mississippi to the Red River valleys, this bill includes hundreds of examples that will grow jobs and boost regional economies across our state. For instance, business owners and farmers will be helped by a small investment in a new dock along Winona's riverfront. A Thief River Falls company

DFL CONTINUED ON PAGE 2

Republican Perspective

by House Minority Leader Kurt Zellers



Everything we do at the state capitol in 2010 will be under the weight of a \$1.2 billion budget deficit. We can't afford the status quo nor can we turn to struggling families and business owners for higher taxes. Much of our work will focus on broad economic actions and budget reductions, but there are three key issues I hear about when

I'm in rural Minnesota: Business capital, health care and property taxes.

When I talk to business owners about what they see as the obstacles standing between their business and new growth, the restricted flow of capital almost always tops the list. This isn't a case of banks being unwilling to lend to questionable applicants. Even long-time customers with solid credit histories and deep community roots tell me how hard it is to get loans. Banks want to lend and there is a demand for loans, but regulators are putting too much pressure on banks to maintain unreasonably high cash cushions. Particularly in rural areas, we can't expand economic opportunity with regulators making it impossible for community banks to make loans. We have to make relieving regulatory pressures a high priority in 2010 or accept continued stagnant economic activity.

REPUBLICAN CONTINUED ON PAGE 2

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DFL

CONTINUED FROM PAGE 1

that promises same-day-shipments can only deliver on that guarantee if the city has a hangar at its airport. Without it, productivity is lost as Digi-Key products sit waiting for a plane to defrost and a runway to be plowed.

Companies like Digi-Key choose to grow in rural Minnesota because they value our hard-working people. The future growth of our state will depend upon our ability to retain that best educated, highly productive workforce that has made our state a leader. As our population ages, the key will be achieving more productivity from fewer people.

This challenge is driving lawmakers to redesign and reform the way Minnesota state government operates. We must continue to ask how we can achieve better results and lower costs. Four members of the Minnesota House, two rural and two metro, have formed a bi-

partisan Redesign Caucus.

Innovation and collaboration will be vital to the future success of our state. The expansion of broadband Internet access will not only help rural businesses, but also local schools and hospitals take advantage of the latest technology. Collaboration will get the private, public and non-profit sectors working in partnership to help communities achieve goals. You can share your ideas by calling our House Government Redesign Hotline at 1-800-551-5520 or by visiting www.house.mn/redesign.

I consider myself fortunate to live and work in the same small town where I was raised. Like all rural areas, we appreciate our natural resources, quality of life, strong workforce and entrepreneurial spirit. All we ask is that we're treated fairly when it comes to setting the priorities for our state. ●

REPUBLICAN

CONTINUED FROM PAGE 1

Health care reform will continue to be at the forefront of public debate, and its outcome will be keenly felt in rural areas because it is a critical part of rural Minnesota's economic competitiveness. Making health care affordable for rural businesses will enable them to make attractive offers to job seekers, keeping them in rural Minnesota or luring them back from larger urban markets. Real reform also has to consider the business-side effects on health care, which provides approximately 100,000 jobs across southern Minnesota. The plan put forward by some to bring health care under the umbrella of government and, in their own words, "end the health insurance industry," would have a devastating effect on the region's economy. We'll work to keep government bureaucrats out of the doctor-patient relationship while using technology and infrastructure to knock down

the barriers standing between rural areas and top-quality care.

We must also work on fixing the disastrous changes to the Green Acres program that the Legislature made in 2008. Farmers hit by the changes, made literally in the middle of the night, are seeing—in many cases—several hundred percent property tax increases. This threatens their ability to keep their farms, which on a widespread basis threatens agriculture's potential for future growth. The only true fix is to repeal the 2008 changes and start from scratch, this time with farmers and landowners at the table in the light of day.

We can achieve these goals despite the looming budget deficits. They require little, if any, government spending and instead put economic power back in the hands of entrepreneurs and job creators—where it belongs. ●

Did You Know? Minnesota Legislative Facts



- The Minnesota Legislature has 201 members.
- The State of Minnesota is divided into 67 legislative districts, with about 73,425 people in each district. Voters elect one senator from each of those districts.
- Each Senate district is divided into two sections. Voters elect one House member, or representative, from each section, making a total of 134 representatives. These districts, which are made up of about 36,713 people each, are identified with an "A" or a "B."
- Senators are elected for a four-year term and representatives are elected for a two-year term. However, in election years ending in 0, such as 2010, senators serve for a two-year term in order to provide for the redistricting process done in conjunction with the United States Census.
- The salary for senators and representatives is \$31,140 per year. They are also allowed to collect a per diem for living and travel expenses seven days a week during the regular legislative session.

MACK

CONTINUED FROM PAGE 1

owned and run by her son.

In addition to her professional work, Mack has also served the state in numerous volunteer capacities. She currently serves on the Minnesota Zoo Board of Trustees. Previously, she served as president of the Girl Scout Council of Cannon Valley and as a member of the Girl Scouts of the United States of America Strategic Planning and National Evaluation Task Force. Mack was also a member of the Waterville-Elysian School Board for six years.

Mack has a Bachelor's Degree in Food Science and Technical Journalism from Iowa State University.

"Lois Mack is the textbook definition of a rural Minnesota advocate," said Brad Finstad, executive director of the Center for Rural Policy and Development. "Her knowledge of the state and wealth of experience in economic development, agriculture and small business are tremendous assets to the Center and the communities we serve." ●

CENTER for RURAL POLICY and DEVELOPMENT

Seeking Solutions for Greater Minnesota's Future

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MISSION: The Center for Rural Policy and Development provides high quality and objective research to examine and advance policy and decision-making, advocacy and civic engagement for Greater Minnesota's development.

VISION: The Center for Rural Policy and Development will be the leading and most trusted source of research and recommendations to advance policies that improve the quality of life in Greater Minnesota.

VALUES:

Research Excellence. We endeavor to strive for excellence in every project in which we engage.

Political Non-partisanship. Political non-partisanship is the historical foundation of our work. We are committed to maintaining that reputation.

Collaboration. Collaboration will be the hallmark of our future work. Our success will be defined by the partnerships we create.

Commitment to Minnesota. A strong Minnesota requires a healthy and vibrant Greater Minnesota. We are committed to supporting quality decision-making that will positively impact Greater Minnesota's ability to thrive.

Rural Perspectives: Bob Kill – President & CEO, Enterprise Minnesota



Q: Bob, tell us a little about Enterprise Minnesota. What does your organization do?

A: Enterprise Minnesota helps the state's small to medium sized manufacturers develop and implement strategies and processes to grow their business. We have teams of manufacturing experts located throughout Minnesota that help companies improve their efficiencies, contain their costs, and achieve real growth in sales revenue and earnings.

Enterprise Minnesota is also this state's affiliate in the federal Manufacturing Extension Partnership (MEP), a network of 60 similar organizations across the U.S. that work to advance the country's manufacturing base. Being an MEP center helps us leverage resources for companies that might be very difficult otherwise. For instance, if a company has facilities in North Branch, Minn., and Garner, Iowa, MEP centers between the two states can coordinate efforts on anything,

such as lean implementation, supervisor training or strategic planning.

Q: How does Enterprise Minnesota help businesses, specifically businesses in Greater Minnesota?

A: A vibrant manufacturing industry is critical to economic health at all levels, and that's most evident at the local level in Greater Minnesota. For these areas, manufacturing provides well-paying, high-skilled and meaningful jobs. We really enjoy helping companies in Greater Minnesota prosper and grow because it means so much to their communities and the bigger picture.

For companies located in Greater Minnesota, it may be very challenging to access services to help improve their business. We try to address that need. Our organization works with companies directly and also brings in some of the most well-known experts from around the country to help manufacturers—whether they are located in Winona or Blackduck.

Q: What is your role with Enterprise Minnesota? What in your background helped prepare you for the position?

A: I serve as president & CEO of Enterprise Minnesota, guiding and managing to achieve our organization's goal to help manufacturing enterprises grow profitably. My passion for manufacturing comes from a long background in the industry. Prior to joining Enterprise Minnesota, I was the CEO of Ciprico

Inc., a manufacturer of high performance data and networking systems. I understand both the challenges and rewards of running a manufacturing company and want to help others achieve success in their business.

Q: Tell us about the "State of Manufacturing" project and the manufacturing outlook in Greater Minnesota.

A: The State of Manufacturing is the largest and most comprehensive survey of the state's manufacturing companies. This is the second annual survey. We conducted 500 phone interviews and hosted nearly 120 participants in 12 focus groups throughout January 2010 to ask manufacturing executives about how they are surviving and investing in their companies during these challenging times, and their outlook for 2010.

On the whole, manufacturers are optimistic about their future because they've been through tough times before and persevered. Last year was certainly another one of those tough times, but we're finding that manufacturers' fear of future woes has waned dramatically. More than a quarter (26 percent) of executives are anticipating economic growth in 2010, and only 19 percent foresee a continued recession. That's a significant change from just a year ago when just 8 percent expected economic growth and more than half (56 percent) foresaw a continued recession.

Like last year, health care costs

continue to be on the minds of manufacturers. More than two-thirds (68 percent) of manufacturing executives say they remain concerned about health care costs, with one focus group participant even saying that the company's insurance bill is larger than the mortgage payment on its building.

Q: Can you tell us about some of the other projects you and your Enterprise Minnesota colleagues are working on right now?

A: One of our biggest goals is to raise visibility for manufacturing and have people understand its importance to the state's economy. We regularly bring local officials and media members through manufacturing facilities all over the state. We've been in more than 40 companies over the past year, and it's not an exaggeration that you learn something new and fascinating each and every time.

Enterprise Minnesota also administers the Growth Acceleration Program (GAP), a matching grant for the state's manufacturers to access services that help grow business. GAP was created in 2007, and since then the program has helped more than 110 Minnesota manufacturers realize a \$15 return for every \$1 spent by GAP. Some companies have realized as much as a \$40 to \$1 return on GAP. It's a program that we're extremely excited about because it delivers clear results for companies, and a valuable return on investment for the State of Minnesota. ●

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INTERNET

CONTINUED FROM PAGE 1

public relations agency remotely from his home in Perham, traveling to his office in Bloomington for meetings just once every other week.

High-speed Internet service and telecommuting-friendly Twin Cities employers offer rural Minnesota professionals the best of both worlds: They can have jobs with Twin Cities employers making Twin Cities salaries while living and raising their families in rural Minnesota.

Of course, telecommuting is not an option without high-speed Internet, and too much of rural



Minnesota is without this service, or it's too slow or too expensive.

The Minnesota Ultra High-

Speed Broadband Task Force—a 23-member panel of representatives from government, various

communities, businesses and telecommunications companies—recently issued a report calling for everyone in our state to have access to high-speed Internet service, with download speeds of 10-25 megabits per second, by 2015.

This is an ambitious goal, and how we are going to realize it is not yet clear. What's crystal clear, however, is that we must do everything we can to make doing business in rural Minnesota more viable for more people and more companies, and high-speed Internet service can help make this happen. ◆

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NEWS Letter

- Executive Director's Note: High Speed Internet Service Key to Rural and Small-Town Minnesota's Vitality
- Board Member Spotlight: Lois Mack
- 2010 Legislative Priorities for Rural Minnesota: DFL & Republican Perspectives
- Did You Know? Minnesota Legislative Facts
- Rural Perspectives: Bob Kill

What's Inside

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