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Executive Director's Note — Legislative Preview Bonding, budget forecast, elections and redistricting

by Brad Finstad



With the onset of the New Year also comes the beginning of the legislative session, slated to convene on Tuesday, January 24. While the even year session is typically shorter with a smaller agenda, there are still plenty of hot button issues facing lawmakers in 2012.

Chief among those issues is the capital investment, or bonding bill. Debate on bonding typically centers on the amount of debt the bill will incur and its relation to the state's overall debt load, as well as the type and location of projects funded. Preliminary estimates are that the bill will be in the \$400-\$600 million range with the final number likely being part of end-of-session negotiations.

The early December announcement that Minnesota's general fund had an \$876 million surplus – instead of a deficit projected to be as much as \$500 million – was welcome news for state lawmak-

ers who have been battling monstrous budget deficits for several years running. By law, the surplus is designated to replenish the state's depleted cash flow and budget reserve accounts. However, pending the results of the next budget forecast scheduled for February, there could be resources available for property tax relief, repayment of the education budget shift or for any number of other items.

Perhaps the most anticipated and yet-to-be-resolved issue is that of legislative and congressional redistricting. (See separate story in this issue.) Governor Dayton vetoed the plan passed by the legislature last year, and while there is still time for the legislature to pass

PREVIEW CONTINUED ON PAGE 2

Redistricting and its Impact on Rural Minnesota It's Déjà vu all Over Again



Nearly 10 years ago, in March of 2001, Center for Rural Policy and Development President Dr. Jack Geller wrote a column in which he explored the link between redistricting and loss of legislative power for rural Minnesota.

Writing a year before the final maps were released on March 19, 2002, Geller examined the number of legislators based upon their residence in one of three categories.

"Twin Cities legislators" were those who represented districts in the counties designated by the Census Bureau as the Twin Cities metropolitan statistical area. "MSA legislators" represented all or part of a metropolitan statistical area outside the Twin Cities, for example, Rochester, Duluth or Saint Cloud. "Rural legislators" were defined as representing districts exclusively in rural Minnesota.

Geller determined that 55 percent – 111 of 201 legislators – were "Twin Cities legislators;" 14 percent – 27 of 201 legislators – were "MSA legislators;" and 31 percent – 63 of 201 legislators – were "Rural legislators." (See the full article at http://tinyurl.com/7or8vy6).

Applying Geller's definitions to the 2010 census data, the numbers would be as follows: 58 percent – 117 of 201 legislators – are "Twin Cities legislators;" 15 percent – 30 of 201 legislators – are "MSA legislators;" and 27 percent – 54 of 201 legislators – are "Rural legislators."

To be sure, as the numbers indicate, there will be a continued shift of legislative seats from rural to suburban areas, as there has been since the early 1960s, when regular, court-ordered redistricting began. But a shift of seats does not have to mean legislative battles between rural, suburban and urban districts, as some rural advocates are quick to hypothesize.

It is wise to heed Dr.Geller's advice to "relax a little and reduce the hype." Minnesota is a diverse state that has been blessed with a premier education system, strong economy and outstanding quality of life. With foresight and hard work, those attributes will define Minnesota for years to come, no matter the number of rural, suburban or urban legislators. lacktriangle

Board Member Spotlight: *Mike Brethorst*



Describing himself as "a weird kid who always knew what he was going to do" when he grew up, Mike Brethorst's career path has been one dedicated to giving back to his community, his state and his country. Now, in his position as Melrose City Administrator/Treasurer, he feels right at home doing the job he dreamed of growing up.

The native of Brandon, Minnesota is a Major and Military Intelligence Officer in the Army National Guard with 14 years of service, two of those years overseas in Bosnia and Iraq.

Before coming to Melrose, he worked as an Administrative Officer and Supervisory Health Systems Specialist for the Veterans Administration Medical Clinic in Fargo, North Dakota where he supervised the VA's hospitalists, outreach and specialty clinics and emergency room. His extensive resume also includes service as the city administrator for Barnesville, Minnesota in the early 2000s.

Brethorst wanted to serve on the CRPD board because he has a desire to continue strengthening rural communities. "I'm a small town boy and I like it that way and if we can make a stronger and more vibrant Greater Minnesota we can attract our young energetic people

BRETHORST CONTINUED ON PAGE 2

BRETHORST

CONTINUED FROM PAGE 1

to stay here," he notes.

As for the future of rural Minnesota, Brethorst is definitely upbeat. He believes the economies of greater Minnesota will continue to diversify and that more manufacturing will relocate to rural towns bringing jobs and changing demographics. This in turn will make our state stronger and more able to weather economic changes.

Brethorst believes the Center for Rural Policy and Development can help policymakers through relevant and practical research that targets issues at the state and county levels, focusing efforts on government redesign. He wants the Center to continue to undertake research that can actually be utilized and provide practical solutions to problems caused by the changing fiscal relationship between state and local governments.

It's that changing fiscal relationship that presents Brethorst with plenty of challenges. Recognizing that state lawmakers have plenty on their own plates, Brethorst hopes the funding mechanisms to cities can be stabilized. Doing so, he believes, would provide great assistance to local officials who deal directly with the neighbors and businesses owners who they see virtually every day. It is that face to face contact Brethorst cherishes, and it is why he feels right at home in city government in small town Minnesota.

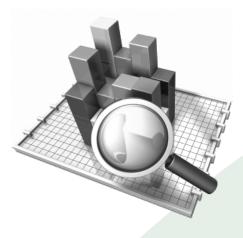
PREVIEW

CONTINUED FROM PAGE 1

an alternative plan that could be signed into law, most experts believe the job will fall to the courts, as it has for the past several decades. Under state law, a plan must be put into place no later than February 21. If past history is a guide, expect that day to be a day of chaos and reckoning for dozens of law-makers contemplating their political futures.

Add to this mix an election in which 201 legislators, eight members of congress, a U.S. senator and hundreds of local elected officials face the voters and you have the ingredients for a very active 2012. Rest assured, the Center for Rural Policy and Development will be taking it all in and analyzing its impact on rural Minnesota. Best wishes on a healthy, successful and prosperous New Year.

Research Update from the Center



The Center has several projects in the works at the beginning of 2012. In the area of economic development, researchers at Minnesota State University Mankato are developing a model to better understand how regulations – including the intersection of multiple regulations – can affect the competitiveness of business, especially in rural areas.

We're also looking at the eco-

nomic impact of local telecommunications companies. In partnership with the Minnesota Telecommunications Alliance, the Center is working with the University of Minnesota Extension to conduct a study that looks at the economic impact of Minnesota's many independent telephone and telecommunications companies. The study will examine how the dollars these companies spend on materials and as salaries circulates inside and outside their local economies.

We're also looking at redesigning local government through shared services. How do cities, counties and other entities work together through shared services and other collaborations to save money while maintaining or even improving the quality of their ser-

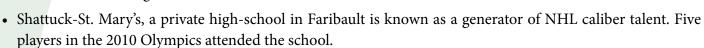
vices? We'll pull together examples and discuss the pros and cons.

As noted elsewhere, the 2011 Rural Minnesota Journal is out and available for order. This issue discusses the views and outlook of young people in rural Minnesota, how they're preparing. The theme of the 2012 issue of RMJ will be "Who Lives in Rural Minnesota?" so keep an eye out for that in next fall.

And we have just finished polling our thought leaders for ideas for our 2012 research agenda. We received many interesting research questions from all over the state and are looking forward to sorting through and picking out our topics for this year.

Did You Know? *It's Time to Play Hockey!*

- Minnesota was home to 13 of the 20 players on the famous 1980 gold-medal-winning "Miracle on Ice" Olympic hockey team.
- 216 native-born Minnesotans have played in the NHL
- Minnesota is the state producing the most current NHL players with 33. Michigan is second with 29.
- Hibbing is the Iron Range city which has produced the most NHL players with 10; Eveleth and Grand Rapids are tied at 9 and Virginia comes in at 6.



Sources: www.hockey-reference.com, Minnesota Public Radio





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New Year Brings New Agricultural Census Interview with USDA's Doug Hartwig

Editor's Note: Doug Hartwig is the Director of the United States Department of Agriculture's National Agricultural Statistics Service (NASS) Minnesota Field Office. The CRPD recently spoke to him about the upcoming 2012 agricultural census.

CRPD: How often is the agricultural census conducted?

Hartwig: The ag census is taken every five years, in years ending in "2" or "7." Our country has a long history of taking a census of agriculture; beginning with George Washington who collected detailed data about agricultural practices of his time. The first official US government ag census was taken in 1840.

CRPD: Why take an ag census?

Hartwig: The ag census is the most comprehensive report of agriculture down to the county level and provides an overall snapshot of agricultural production and the financial well-being of the ag industry. The data collected is widely used by the United States Congress and is frequently the basis for changes in ag policy at the national and state level. Our goal is to count every farmer in the United States.

CRPD: With the goal being to

count every farmer in the U.S., just how is "farm" defined?

Hartwig: The definition has changed over the years with the last change taking place in 1975. For purposes of the census, a farm is a place or operation from which \$1,000 or more of agricultural products were sold or would normally be sold during the year. In the last census we saw an increase in the number of farms, especially smaller size farms in the metro area due to the explosion of farmers markets. This is the hardest data to collect and we are making efforts through the "I Want to be Counted" link on our website (http://tinyurl.com/7q8w57j) reach these producers.

CRPD: What are some practical applications of the ag census data for farmers and the agricultural community?

Hartwig: There are many. Because data is compiled at the county level in each state, it provides farmers an accurate picture of what is happening in their own area. For instance, the data could show what types of new crops are being grown on a small scale and which crops might be a good investment for the future. With 15 years of data on organic production, the census can point out trends and financial perspectives for farmers consider-

ing adding or converting to organic farming practices. The financial statistics can be used to take to a lender to show how a particular farm operation compares to others. Ag industries such as implement manufacturers and grain dealers use the data to assist them with new plant or facility siting decisions.

CRPD: Explain how the actual census-taking process works.

Hartwig: The vast majority of census data is compiled through a mail out/mail back data collection instrument which will be sent to farmers in December of 2012. Producers can also complete the questionnaire online. We follow up with a post card reminder, and, if necessary, we'll mail a second questionnaire. Field enumerators are also used to collect data through faceto-face interviews.

Our response rates are in the 90+ percent range. People know information is power, so they are receptive to participating. The census allows decision-making to be done based on facts and numbers. Producers understand the value of this, and that is why we have had good response rates.

CRPD: What trends have you witnessed over the years of being involved in the ag census?

shipping and handling.

Hartwig: There has been a tremendous growth in ag production and livestock, and technology is making a big impact in genetics. However, the largest change I've seen is the amount of investment producers have to make to earn a living in agriculture. The price of equipment, land, seed costs, fertilizer, all have increased a great deal over the last 15 years.

CRPD: After the census is taken, what is the most frequently requested data?

Hartwig: The four most requested pieces of information are the number of farms; what is the distribution (by commodity) on sales; basic demographic information; and make up of each operation, in other words, how many operators on each farm. We are often asked how many people are involved in agriculture, but it's a hard number to track. We've changed our questions to try and determine this number with more accuracy.

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Taking the Helm: How rural Minnesota's next generation sees the futureLatest Issue of Rural Minnesota Journal Released

Young people are the perfect candidates to be entrepreneurs, says Michael Nolan, director of the Small Business Development Center at Minnesota State University, Mankato, and a serial entrepreneur himself. According to Nolan, kids and young adults are full of ideas, and rural communities would be wise to encourage them.

Nolan, and a host of other writers have penned articles for the newest issue of *Rural Minnesota*

Journal which explores the role of youth and young adults in rural Minnesota communities.

Articles include *The Glass Half Full: A New View of Rural Minneso-ta* - Ben Winchester, Univ. of Minn. Extension, Center for Community Vitality, Morris; Art Nash, Univ. of Minn., Crookston; & Tobias Spanier, Univ. of Minn. Extension, Center for Community Vitality, Marshall. *Today's Youth, Tomorrow's Rural Health Care Workforce* -

Laurissa Stigen, Central Minnesota Area Health Education Center, Fergus Falls. The Seventh Generation: The Future of Minnesota's American Indian Youth - Priscilla A. Day, Univ. of Minn., Duluth, Center for Regional and Tribal Child Welfare Studies. You Can Be a Leader One Day - Byran Joyce, Windom Area Schools. In Other Words: Sending the Right Rural Message - Neil Linscheid, Univ. of Minn. Extension, Marshall. "I Want to Own My Own

Business When I Grow Up": Encouraging Entrepreneurship at a Young Age - Michael Nolan, Small Business Development Center, Minn. State Univ., Mankato. Reflections of a Young Farmer - Tracy Gaalswyk, rural Nicollet County. Shaping the Future of Local Government: How I See It - Jessica A. Beyer, Blue Earth County Government.

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- Rural Minnesota Journal Released
- New Year Brings New Agricultural Census
 - Research Update from the Center
- Redistricting and its Impact on Rural Minnesota
- bonding, budget forecast, elections and redistrictingNew Board Member Profile: Mike Brethorst
 - Executive Director's Mote: Legislative Preview -

What's Inside



