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STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF RAMSEY

SECOND JUDICIAL DISTRICT

THE STATE OF MINNESOTA,  
BY HUBERT H. HUMPHREY III,  
ITS ATTORNEY GENERAL,

Case Type: Other Civil  
Court File No. C1-94-8565

and

BLUE CROSS AND BLUE SHIELD  
OF MINNESOTA,

Plaintiffs,

vs.

PHILIP MORRIS INCORPORATED,  
R.J. REYNOLDS TOBACCO COMPANY,  
BROWN & WILLIAMSON TOBACCO  
CORPORATION, B.A.T. INDUSTRIES  
P.L.C., BRITISH-AMERICAN TOBACCO  
COMPANY LIMITED, BAT (U.K. &  
EXPORT) LIMITED, LORILLARD  
TOBACCO COMPANY, THE AMERICAN  
TOBACCO COMPANY, LIGGETT GROUP,  
INC., THE COUNCIL FOR TOBACCO  
RESEARCH-U.S.A., INC., and THE  
TOBACCO INSTITUTE, INC.,

Defendants.

**SETTLEMENT AGREEMENT AND STIPULATION  
FOR ENTRY OF CONSENT JUDGMENT**

THIS SETTLEMENT AGREEMENT AND RELEASE ("Settlement Agreement") is made  
as of the date hereof, by and among the parties hereto, as indicated by their signatures below, to settle

*Tues. 3:30*



and resolve with finality all claims of the State of Minnesota relating to the subject matter of this action which have been or could have been asserted by the State of Minnesota.

WHEREAS, the State of Minnesota, through its Attorney General Hubert H. Humphrey III, and Blue Cross and Blue Shield of Minnesota, commenced this action on August 17, 1994, asserting various claims for monetary, equitable and injunctive relief on behalf of the State of Minnesota and Blue Cross and Blue Shield of Minnesota against certain tobacco manufacturers and others as Defendants;

WHEREAS, the Defendants have denied each and every one of Plaintiffs' allegations of unlawful conduct or wrongdoing and have asserted a number of defenses to Plaintiffs' claims, which defenses have been contested by Plaintiffs;

WHEREAS, the parties hereto wish to avoid the further expense, delay, inconvenience, burden and uncertainty of continued litigation of this matter (including appeals from any verdict), the State of Minnesota and the Settling Defendants have agreed to settle this litigation pursuant to terms which will achieve for the State of Minnesota (and thus for the people of the State of Minnesota) significant funding for the advancement of public health, the implementation of important tobacco-related public health measures in Minnesota, as well as funding for national research dedicated to studying and significantly reducing the use of Tobacco Products by youth;

WHEREAS, the State of Minnesota and Settling Defendants have agreed to settle this lawsuit on terms set forth in this Settlement Agreement and Stipulation for Entry of Consent Judgment and the attached Consent Judgment;

WHEREAS, the parties have further agreed to jointly petition the Court for approval of the Consent Judgment, on the grounds that settlement would be in the public interest;

NOW, THEREFORE, BE IT KNOWN THAT, in consideration of the payments to be made by the Settling Defendants, the dismissal and release of claims by the State of Minnesota and such other consideration as described herein, the sufficiency of which is hereby acknowledged, the parties hereto, acting by and through their authorized agents, memorialize and agree as follows:

**I. GENERAL PROVISIONS**

A. Jurisdiction. The State and the Settling Defendants acknowledge that this Court has jurisdiction over the subject matter of this action and over each of the parties to this Settlement Agreement, and that this Court shall retain jurisdiction for the purposes of implementing and enforcing this Settlement Agreement. The parties hereto agree to present any disputes under this Settlement Agreement, including without limitation any claims for breach or enforcement of this Settlement Agreement, exclusively to this Court. The Court may, upon the State's application, enter a Consent Judgment in the form attached hereto as Exhibit A. The cumulative terms of this Settlement Agreement and Stipulation for Entry of Consent Judgment, and the attached Consent Judgment, may be referred to for convenience as this "Agreement" or "Settlement Agreement."

B. Voluntary Agreement of the Parties. The State and the Settling Defendants acknowledge and agree that this Settlement Agreement is voluntarily entered into by all parties hereto as the result of arm's-length negotiations during which all such parties were represented by counsel. The State and Settling Defendants understand that Congress may enact legislation dealing with some of the issues addressed in this Agreement. Settling Defendants and their assigns, affiliates, agents, and successors hereby waive any right to challenge this Agreement or the Consent Judgment, directly or through third parties, on the ground that any term hereof is unconstitutional, outside the power

or jurisdiction of the Court, preempted by or in conflict with any current or future federal legislation (except where non-economic terms of future federal legislation are irreconcilable).

C. Definitions.

For the purposes of this Settlement Agreement and attached Consent Judgment, the following terms shall have the meanings set forth below:

1. *"State"* or *"State of Minnesota"* means the State of Minnesota acting by and through its Attorney General;
2. *"Blue Cross"* means BCBSM, Inc., d/b/a Blue Cross and Blue Shield of Minnesota, and all of its administrators, representatives, employees, directors, officers, agents, attorneys, parents and divisions;
3. *"Settling Defendants"* means those Defendants in this action that are signatories hereto;
4. *"Defendants"* means Philip Morris Incorporated, R.J. Reynolds Tobacco Company, Brown & Williamson Tobacco Corporation, B.A.T Industries P.L.C., British-American Tobacco Company Limited, BAT (U.K. and Export) Limited, Lorillard Tobacco Company, The American Tobacco Company, The Council for Tobacco Research-U.S.A., Inc., and the Tobacco Institute, Inc. and their successors and assigns;
5. *"Consumer Price Index"* shall mean the Consumer Price Index for All Urban Consumers, for the most recent twelve-month period for which such percentage information is available as published by the Bureau of Labor Statistics of the U.S. Department of Labor.
6. *"Court"* means the District Court of the State of Minnesota, County of Ramsey, Second Judicial District;

7. "*Market Share*" means a Settling Defendant's respective share of sales of cigarettes by unit for consumption in the United States during (i) with respect to payments made pursuant to Paragraph II.D. of this Settlement Agreement, the calendar year ending on the date on which the payment at issue is due, regardless of when such payment is made, and (ii) with respect to all other payments made pursuant to this Settlement Agreement, the calendar year immediately preceding the year in which the payment at issue is due, regardless of when such payment is made;

8. "*Cigarettes*" means any product which contains nicotine, is intended to be burned or heated under ordinary conditions of use, and consists of or contains (i) any roll of tobacco wrapped in paper or in any substance not containing tobacco; or (ii) tobacco, in any form, that is functional in the product, which, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette; or (iii) any roll of tobacco wrapped in any substance containing tobacco which, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette described in subparagraph (i) of this paragraph;

9. "*Smokeless Tobacco*" means any powder that consists of cut, ground, powdered, or leaf tobacco that contains nicotine and that is intended to be placed in the oral cavity;

10. "*Tobacco Products*" means Cigarettes and Smokeless Tobacco;

11. "*Billboards*" includes billboards, as well as all signs and placards in arenas and stadiums, whether open-air or enclosed. "Billboards" does not include (1) any advertisements

placed on or outside the premises of retail establishments which sell tobacco products, or any retail point-of-sale; and (2) billboards or advertisements in connection with the sponsorship by the Defendants of any entertainment, sporting or similar event, such as NASCAR, that appears in the State of Minnesota as part of a national or multi-state tour;

12. "*Children*" or "*youth*" means persons under the age of 18;

13. "*Depository*," unless otherwise specified, means the Minnesota document depository established by the Court's Order dated June 16, 1995. "*Depositories*" includes both the Minnesota depository and the Guildford, U.K. document depository established by the Court's Order dated September 6, 1995;

14. "*Transit Advertisements*" means advertising on private or public vehicles and all advertisements placed at, on or within any bus stop, taxi stand, waiting area, train station, airport or any similar location. "*Transit Advertisements*" does not include any advertisements placed on or outside the premises of retail establishments licensed to sell Tobacco Products or any retail point-of-sale;

15. "*Special State Counsel*" means Robins, Kaplan, Miller & Ciresi L.L.P. or a successor, if any; and

16. "*Final Approval*" means the date on which this Settlement Agreement and the form of State Escrow Agreement are approved by the Court. At the time of such approval, the settlement between the parties is final.

## II. SETTLEMENT PAYMENTS

A. Settlement Receipts. The payments to be made by the Settling Defendants under this Settlement Agreement are in satisfaction of all of the State of Minnesota's claims for damages

incurred by the State in the year of such payment or earlier years related to the subject matter of this action, including, without limitation, claims for equitable and injunctive relief, claims for health care expenditures and claims for punitive damages, except that no part of any payment under this Settlement Agreement is made in settlement of an actual or potential liability for a fine, penalty (civil or criminal) or enhanced damages.

B. Settlement Payments to the State of Minnesota. Each Settling Defendant severally shall cause to be paid to an account designated in writing by the State of Minnesota in accordance with and subject to paragraph II.E. of this Settlement Agreement, the following amounts: the amount listed for it in Schedule A hereto, such amount representing its share of \$240,000,000, to be paid on or before September 5, 1998; pro rata in proportion to its Market Share, its share of \$220,800,000, to be paid on or before January 4, 1999; pro rata in proportion to its Market Share, its share of \$242,550,000, to be paid on or before January 3, 2000; pro rata in proportion to its Market Share, its share of \$242,550,000, to be paid on or before January 2, 2001; pro rata in proportion to its Market Share, its share of \$242,550,000, to be paid on or before January 2, 2002; and pro rata in proportion to its Market Share, its share of \$121,550,000, to be paid on or before January 2, 2003. The payments made by the Settling Defendants pursuant to this Paragraph shall be adjusted upward by the greater of 3% or the Consumer Price Index applied each year on the previous year, beginning with the payment due to be made on or before January 3, 2000. The payments due to be made by the Settling Defendants pursuant to this Paragraph on or before January 3, 2000, on or before January 2, 2001, on or before January 2, 2002, and on or before January 2, 2003, will also be decreased or increased, as the case may be, in accordance with the formula for adjustments of payments as set forth in Appendix A. The payments due to be made by the Settling Defendants pursuant to this Paragraph



on or before September 5, 1998, and on or before January 4, 1999, shall not be subject to inflation escalation and volume adjustments described in the preceding sentences.

In the event that any of the Settling Defendants fails to make any payment required of it pursuant to this Paragraph (a "Defaulting Defendant") by the applicable date set forth in this paragraph II.B. (a "Missed Payment"), the State of Minnesota shall provide notice to each of the Settling Defendants of such non-payment. The Defaulting Defendant shall have 15 days after receipt of such notice to pay the Missed Payment, together with interest accrued from the original applicable due date at the prime rate as published in the Wall Street Journal on the latest publication date on or before the date of default plus 3%. If the Defaulting Defendant does not make such payment within such 15-day period, the State of Minnesota shall provide notice to each of the Settling Defendants of such continued non-payment. Any or all of the Settling Defendants (other than the Defaulting Defendant) shall thereafter have 15 days after receipt of such notice to elect (in such Settling Defendant's or such Settling Defendants' sole and absolute discretion) to pay the Missed Payment, together with interest accrued from the original applicable due date at the prime rate as published in the Wall Street Journal on the latest publication date on or before the date of default plus 3%. In the event that the State of Minnesota does not receive the Missed Payment, together with such accrued interest, within such additional 15-day period, all payments required to be made by each of the respective Settling Defendants pursuant to this Paragraph shall at the end of such additional 15-day period be accelerated and shall immediately become due and owing to the State of Minnesota from each Settling Defendant pro rata in proportion to its Market Share; provided, however, that any such accelerated payments (a) shall all be adjusted upward by the greater of (i) the rate of 3% per annum or (ii) the actual total percent change in the CPI, in either instance for the period between January 1

of the year in which the acceleration of payments pursuant to this Paragraph occurs and the date on which such accelerated payments are due pursuant to this subsection, and (b) shall all immediately be adjusted in accordance with the formula for adjustments of payments set forth in Appendix A.

Nothing in this Paragraph shall be deemed under any circumstance to create any obligation on the part of any Settling Defendant to pay any amount owed or payable to the State of Minnesota by any other Settling Defendant. All obligations of the Settling Defendants pursuant to this Paragraph are intended to be and shall remain several, and not joint.

C. Public Health Foundation. The Attorney General will propose, and the Settling Defendants have agreed not to oppose, that the Legislature appropriate to a foundation one-half the payments due in September 1998, and in January of the years 1999 through 2003, to be used for such activities as the directors of the foundation may determine will diminish the human and economic consequences of tobacco use. It is contemplated that the directors of the foundation will include public representatives, and representatives of such groups as the American Lung Association, Minnesota Chapter; the University of Minnesota School of Public Health; the Minnesota SmokeFree 2000 Coalition; the American Cancer Society, Minnesota Division; the American Heart Association, Minnesota Chapter; the Association for Non-Smokers' Rights--Minnesota; and the Mayo Clinic Nicotine Dependence Center.

D. Annual Payments. Each of the Settling Defendants agrees that, beginning on December 31, 1998, and annually thereafter on December 31st of each year after 1998 (subject to final adjustment within 30 days), it shall severally cause to be paid to an account designated in writing by the State of Minnesota in accordance with and subject to paragraph II.E. of this Settlement



Agreement, pro rata in proportion to its respective Market Share, its share of 2.55% of the following amounts (in billions):

|               |      |        |      |        |        |      |            |
|---------------|------|--------|------|--------|--------|------|------------|
| <u>Year</u>   | 1998 | 1999   | 2000 | 2001   | 2002   | 2003 | thereafter |
|               | 1    | 2      | 3    | 4      | 5      | 6    |            |
| <u>Amount</u> | \$4B | \$4.5B | \$5B | \$6.5B | \$6.5B | \$8B | \$8B       |

The payments made by Settling Defendants pursuant to this Paragraph shall be adjusted upward by the greater of 3% or the Consumer Price Index applied each year on the previous year, beginning with the annual payment due on December 31, 1999. Such payments will also be decreased or increased, as the case may be, beginning with the annual payment due on December 31, 1999, in accordance with the formula for adjustments of payments set forth in Appendix A.

E. Payment of Settlement Proceeds. Any payment made pursuant to this Settlement Agreement shall be made to an account designated in writing by the State of Minnesota or the Court, as applicable; provided that after Final Approval, if the Court's approval is challenged by any third party, payments due to be made shall be paid into a special escrow account (the "State Escrow Account"), and held in escrow pursuant to this Section V.B. and the State Escrow Agreement.

F. Adjustments in Event of Federal Legislation. The enactment of federal tobacco-related legislation shall not affect the payments required by this Agreement except as follows:

1. If federal tobacco-related legislation providing for the resolution or other disposition of State Attorney General actions brought against tobacco companies is enacted on or before November 30, 2000, and if such legislation provides for payment(s) by tobacco companies (whether by settlement payment, tax or any other means), all or part of which is made available to States, the State of Minnesota shall elect to receive any funds that are (i)

unrestricted as to their use, or (ii) are restricted to any form of health care or to any use related to tobacco (collectively "Federal Settlement Funds"), and Settling Defendants shall receive a dollar-for-dollar offset up to the full amount of payments required under Section II.D of this Agreement for any and all Settlement Funds received by the State of Minnesota, until all Federal Settlement Funds provided however:

a. There shall be no offset to payments required by this Agreement on account of any federal program, subsidies, payments, credits or other aid to the State which are not conditioned or tied to the settlement of a state tobacco-related suit or the relinquishment of state tobacco-related claims;

b. The State relinquishes no rights or benefits under this Agreement except for payments subject to the offset;

c. There are no federally imposed preconditions to the receipt of Federal Settlement Funds other than (i) the settlement of any state tobacco-related lawsuit or the relinquishment of state tobacco-related claims, (ii) actions or expenditures related to tobacco, including but not limited to, education, cessation, control or enforcement, or (iii) actions or expenditures related to health care;

d. If Settling Defendants enter into any pre-verdict settlement agreement (subsequent to the date of this Agreement) of similar litigation brought by a non-federal governmental plaintiff which does not require such an offset, this Section is null and void;

e. If Settling Defendants enter into any pre-verdict settlement agreement (subsequent to the date of this Agreement) of similar litigation brought by a non-

federal governmental plaintiff which has an offset term more favorable to the plaintiff, this Settlement Agreement shall, at the option of the Office of the Attorney General of the State of Minnesota, be revised to include a comparable term.

2. Nothing in this section is intended to or shall reduce the total amounts payable to the State under this Agreement by Settling Defendants beyond the amount of Federal Settlement Funds actually received by the State of Minnesota.

### **III. DISMISSAL OF CLAIMS AND RELEASES**

A. State of Minnesota's Dismissal of Claims. Upon approval of this Settlement Agreement by the Court, the Court shall enter a Final Judgment dismissing with prejudice all claims as to all Defendants.

This Agreement resolves all claims between the State and the Defendants, except for issues pending before the court pertaining to the discoverability or production of documents for which the Defendants reserve their rights of appeal.

B. State of Minnesota's Release and Discharge. Upon Final Approval, the State of Minnesota shall release and forever discharge all Defendants and their present and former parents, subsidiaries (whether or not wholly owned) and affiliates, and their respective divisions, organizational units, officers, directors, employees, representatives, insurers, suppliers, agents, attorneys and distributors (and the predecessors, heirs, executors, administrators, successors and assigns of each of the foregoing) from any and all manner of civil claims, demands, actions, suits and causes of action, damages whenever incurred, liabilities of any nature whatsoever, including civil penalties, as well as costs, expenses and attorneys' fees, known or unknown, suspected or unsuspected, accrued or unaccrued, whether legal, equitable or statutory ("Claims") that the State

of Minnesota (including any of its past, present or future administrators, representatives, employees, officers, attorneys, agents, representatives, officials acting in their official capacities, agencies, departments, commissions, and divisions, and whether or not any such person or entity participates in the settlement), whether directly, indirectly, representatively, derivatively or in any other capacity, ever had, now has or hereafter can, shall or may have, as follows:

a. for past conduct, as to any Claims relating to the subject matter of this action which have been asserted or could be asserted now or in the future in this action or a comparable Federal action by the State; and

b. for future conduct, only as to monetary Claims directly or indirectly based on, arising out of or in any way related to, in whole or in part, the use of or exposure to Tobacco Products manufactured in the ordinary course of business, including without limitation any future claims for reimbursement for health care costs allegedly associated with use of or exposure to Tobacco Products;

(such past and future Claims hereinafter referred to as the "Released Claims"); provided, however, that the foregoing shall not operate as a release of any person, party or entity (whether or not a signatory to this Agreement) as to any of the obligations undertaken in this Agreement in connection with a monetary breach or default of this Agreement.

The State of Minnesota hereby covenants and agrees that it shall not hereafter sue or seek to establish civil liability against any person or entity covered by the release provided under Paragraph III.B. based, in whole or in part, upon any of the Released Claims, and the State of Minnesota agrees that this covenant and agreement shall be a complete defense to any such civil action or proceeding.

C. Settling Defendants' Release and Discharge. Upon Final Approval, Settling Defendants shall release and forever discharge the State of Minnesota (including any of its past, present or future administrators, representatives, employees, officers, attorneys, agents, representatives, officials acting in their official capacities, agencies, departments, commissions, and divisions, and whether or not any such person or entity participates in the settlement) from any and all manner of civil claims, demands, actions, suits and causes of action, damages whenever incurred, liabilities of any nature whatsoever, including costs, expenses, penalties and attorneys' fees, known or unknown, suspected or unsuspected, accrued or unaccrued, whether legal, equitable or statutory, arising out of or in any way related to, in whole or in part, the subject matter of the litigation of this lawsuit, that Settling Defendants (including any of their present and former parents, subsidiaries, divisions, affiliates, officers, directors, employees, witnesses (fact or expert), representatives, insurers, agents, attorneys and distributors and the predecessors, heirs, executors, administrators, successors and assigns of each of the foregoing, and whether or not any such person participates in the settlement), whether directly, indirectly, representatively, derivatively or in any other capacity, ever had, now has or hereafter can, shall or may have.

D. Limited Most-Favored Nation Provision. In partial consideration for the monetary payments to be made by the Settling Defendants pursuant to this Settlement Agreement, the State of Minnesota agrees that if the Settling Defendants enter into any future pre-verdict settlement agreement of other similar litigation brought by a non-federal governmental plaintiff on terms more favorable to such non-federal governmental plaintiff than the terms of this Settlement Agreement (after due consideration of relevant differences in population or other appropriate factors), the terms of this Settlement Agreement shall not be revised except as follows: to the extent, if any, such other

pre-verdict settlement agreement includes terms that provide (a) for joint and several liability among the Settling Defendants with respect to monetary payments to be made pursuant to such agreement; (b) a guarantee by the parent company of any of the Settling Defendants or other assurances of payment or creditors' remedies with respect to monetary payments to be made pursuant to such agreement; or (c) for the implementation of non-economic tobacco-related public health measures different from those contained in this Settlement Agreement, then this Settlement Agreement shall, at the option of the Office of the Attorney General of the State of Minnesota, be revised to include terms comparable to such terms.

#### **IV. DEFENDANTS' ASSURANCES**

A. Settling Defendants agree not to directly or indirectly, including through any third party or affiliate:

1. Oppose the passage of those future Minnesota legislative proposals or administrative rules intended by their terms to reduce tobacco use by children listed on Schedule B. (The foregoing does not prohibit Settling Defendants from resisting enforcement of, or suing for declaratory or injunctive relief with respect to any such legislation or rule on any grounds.)

2. Facially challenge the enforceability or constitutionality of existing Minnesota laws or rules relating to tobacco control, including, but not limited to, Minnesota Statutes Section 461.17 regarding the disclosure of certain ingredients in cigarettes; Minnesota Statutes Sections 461.12, et. seq., and 609.685 regarding the sale of tobacco to minors; Minnesota Statutes Section 325F.77 regarding the distribution of samples; and Minnesota Statutes Section 144.411 et. seq. regarding clean indoor air.

3. Support in Congress or any forum, legislation, rules or policies which would preempt, override, or abrogate or diminish the State's rights or recoveries under this Agreement. Except as specifically provided in the foregoing sentence, nothing in this Agreement shall be deemed to restrain the parties from advocating terms of any national settlement or taking any other positions on issues relating to tobacco. The State and its attorneys specifically reserve the right to continue to litigate or advocate for additional document disclosure beyond that ordered by the Ramsey County District Court, in any forum outside of Minnesota.

4. Settling Defendants' obligation to produce documents in discovery pertaining to enactment or repeal of, or opposition to, state legislation or state executive action relating to tobacco in Minnesota is extended beyond August 17, 1994, to the date of this Agreement, with Settling Defendants required to produce these documents within thirty (30) days of the date of this Agreement.

B. Disclosure of Payments Likely to Affect Public Policy.

1. Each Settling Defendant shall disclose to the Office of the Attorney General and the Office of the Governor, at the times and in the manner provided below, information about the following payments:

a. Any payment to a "lobbyist" or "principal" within the meaning of Minnesota Statutes, Section 10A.01, subdivisions 11 and 28, if Settling Defendant knows or has reason to know that the payment will be used, directly or indirectly, to influence legislative or administrative action, or the official action of state or local government in Minnesota in any way relating to Tobacco Products or their use.



b. Any payment to a third party, if the Settling Defendant knows the payment is partly in consideration for the third party attending, offering testimony at, or participating before a state or local government hearing in Minnesota in any way relating to Tobacco Products or their use; and

c. Any payment (other than a "political contribution" under Minn. Stat. § 10.01, subd. 7, or 2 USC § 431(8)(A)) to, or for the benefit of, a state or local official in Minnesota, whether made directly by a defendant or indirectly through an employee acting in the scope of his employment, affiliate, lobbyist, or other agent acting under the substantial control of a defendant.

2. Disclosures required under this section shall be filed with the Office of the Attorney General and with the Office of the Governor on the first day of January, April, July and October of each year for any and all payments made through the first day of the previous month and shall be transmitted in electronic format or such format as the attorney general may require, with the following information:

a. The name, address, telephone number and e-mail address of the recipient.

b. The amount of each payment described in Paragraph B(1).

c. The aggregate amount of all payments described in Paragraph B(1) to the recipient in the calendar year.

3. Information filed under this section is "public data" within the meaning of the Minnesota Government Data Practices Act.



C. Settling Defendants agree to discontinue all Billboards and Transit Advertisements of Tobacco Products in the State. Settling Defendants shall use their best efforts in cooperation with the State to identify all such Billboards that are located within 1000 feet of any public or private school or playground in the State, and shall provide the State with a preliminary list of the location of all Billboards and stationary Transit Advertisements within 30 days from the date hereof, such list to be finalized within an additional 15 days. Settling Defendants shall, at the earlier of the expiration of applicable contracts or four months from the date the final list is supplied to the State, remove all Billboards and Transit Advertisements for Tobacco Products from within the State, leaving the space unused or used for advertising unrelated to Tobacco Products; or at the option of the State of Minnesota, will allow the State, at its expense, to substitute for the remaining term of the contract, alternative advertising intended to discourage the use of Tobacco Products by children and their exposure to second-hand smoke. The parties also agree to secure the expedited removal of up to 50 Billboards or stationary Transit Advertisements for Tobacco Products designated by the State within 30 days after their designation. Each Settling Defendant which has Billboard advertising in the State shall provide the Court and the Attorney General, or his designee, with the name of a contact person to whom the State may direct inquiries during the time such Billboards and Transit Advertisements are being eliminated, from whom the State may obtain periodic reports as to the progress of their elimination and who will be responsible for ensuring that appropriate action is taken to remove any Billboards that have not been timely eliminated.

D. Settling Defendants shall not make, in the connection with any motion picture made in the United States, or cause to be made any payment, direct or indirect, to any person to use, display, make reference to, or use as a prop any cigarette, cigarette package, advertisement for

cigarettes, or any other item bearing the brand name, logo, symbol, motto, selling message, recognizable color or pattern of colors, or any other indicia of product identification identical or similar to, or identifiable with, those used for any brand of domestic tobacco products.

E. On and after December 31, 1998, Settling Defendants shall permanently cease marketing, licensing, distributing, selling or offering, directly or indirectly, including by catalogue or direct mail, in the State of Minnesota, any service or item (other than tobacco products or any item of which the sole function is to advertise tobacco products) which bears the brand name (alone or in conjunction with any other word), logo, symbol, motto, selling message, recognizable color or pattern of colors, or any other indicia of product identification identical or similar to, or identifiable with, those used for any brand of domestic tobacco products.

F. Settling Defendants and the Law Firm of Robins, Kaplan, Miller & Ciresi L.L.P. ("RKM&C") have reached a separate agreement for the payment of the State's costs and attorneys fees. In consideration for said agreement, RKM&C has released the State from its obligation to pay costs and attorneys fees under the Special Attorney Appointment dated May 23, 1994.

## V. MISCELLANEOUS PROVISIONS

A. Representations of Parties. The respective parties hereto hereby represent that this Settlement Agreement has been duly authorized and, upon execution, will constitute a valid and binding contractual obligation, enforceable in accordance with its terms, of each of the parties hereto. The State represents that all of its outside counsel that have represented it in this action are, by and through their authorized representatives, signatories to this Settlement Agreement.

B. Court Approval. The Parties agree to submit this Settlement Agreement to the Court for its review and approval on Friday, May 8, 1998. If the Court declines to approve this Settlement

Agreement, the Blue Cross Settlement Agreement, the form of State Escrow Agreement, and the form of Blue Cross Escrow Agreement, the matter will be immediately submitted to the jury. If the Court, as a condition of approval or otherwise, requires any change in the Agreements which any signatory is unwilling to make, the case will be immediately submitted to the jury. If before the Court approves the Agreements, any third-party seeks to intervene for the purpose of opposing the Settlement Agreement, the Blue Cross Settlement Agreement, the State Escrow Agreement, and the Blue Cross Escrow Agreement, any Party at its sole election, may withdraw from this Agreement, after first giving notice to the Court and all of the Parties before the jury is dismissed, and submit the case to the jury. If the Court approves the Settlement Agreement as submitted, the Agreement will be final and binding upon all Parties.

In the event that there is a challenge to any provision of this Settlement Agreement by anyone other than the Attorney General of the State of Minnesota as of the date of this Agreement, BCBS or Settling Defendants ("a third-party challenge") after Final Approval, any amounts required to be paid by Settling Defendants pursuant to this Settlement Agreement shall be paid into escrow pursuant to the State Escrow Agreement. If, as a result of such a challenge, any material term of Sections II, III, IV of this Settlement Agreement is modified or rendered unenforceable, the parties shall negotiate an equivalent or comparable substitute term or other appropriate credit or adjustment. In the event that the parties are unable to agree on such a substitute term or appropriate credit or adjustment, then the parties will submit the issue to the Court for resolution, subject to any available appeal rights. In the event that any third-party challenge is made after December 31, 1998, any payments due under Paragraph II.B. shall be made to the State according to the terms of this Settlement Agreement, and only those payments due under Paragraph II.D. shall be placed into escrow as provided above.

In the event that the Court determines that there has been a failure of consideration legally sufficient to warrant termination of this Settlement Agreement, then this Settlement Agreement may be terminated by the party adversely affected. In the event of such termination, the action will be reinstated and all decisions of the trial court, and any party's appeal or other rights with respect thereto, will have the same force and effect as if this Settlement Agreement had never been entered into.

C. Obligations Several, Not Joint. All obligations of the Settling Defendants pursuant to this Settlement Agreement are intended to be and shall remain several, and not joint.

D. Headings. The headings of the paragraphs of this Settlement Agreement are not binding and are for reference only and do not limit, expand or otherwise affect the contents of this Settlement Agreement.

E. No Determination or Admission. This Settlement Agreement and any proceedings taken hereunder are not intended to be and shall not in any event be construed as, or deemed to be, an admission or concession or evidence of any liability or any wrongdoing whatsoever on the part of any party hereto or any person covered by the releases provided under paragraphs III.B. and C. hereof. The Settling Defendants specifically disclaim and deny any liability or wrongdoing whatsoever with respect to the allegations and claims asserted against them in this action and enter into this Settlement Agreement solely to avoid the further expense, inconvenience, burden and uncertainty of litigation.

F. Non-Admissibility. The settlement negotiations resulting in this Settlement Agreement have been undertaken by the parties hereto in good faith and for settlement purposes only, and neither this Settlement Agreement nor any evidence of negotiations hereunder shall be offered or received

in evidence in this action, or any other action or proceeding, for any purpose other than in an action or proceeding arising under this Settlement Agreement.

G. Amendment: Waiver. This Settlement Agreement may be amended only by a written instrument executed by the Attorney General and the Settling Defendants. The waiver of any rights conferred hereunder shall be effective only if made by written instrument executed by the waiving party. The waiver by any party of any breach of this Settlement Agreement shall not be deemed to be or construed as a waiver of any other breach, whether prior, subsequent or contemporaneous, of this Settlement Agreement.

H. Notices. All notices or other communications to any party to this Settlement Agreement shall be in writing (and shall include telex, telecopy or similar writing) and shall be given to the respective parties hereto at the following addresses. Any party hereto may change the name and address of the person designated to receive notice on behalf of such party by notice given as provided in this paragraph.

For the State of Minnesota:

Hubert H. Humphrey III  
Attorney General  
102 State Capitol  
St. Paul, MN 55155  
Fax: 612.297.4193

with copies to:

Michael V. Ciresi  
Robins, Kaplan, Miller & Ciresi L.L.P.  
2800 LaSalle Plaza  
800 LaSalle Avenue  
Minneapolis, MN 55402-2015  
Fax: 612.339.4181

Chief Deputy Attorney General  
State of Minnesota  
102 State Capitol  
St. Paul, MN 55155  
Fax: 612.297.4193

For Philip Morris Incorporated:

Martin J. Barrington  
Philip Morris Incorporated  
120 Park Avenue  
New York, NY 10017-5592  
Fax: 212.907.5399

With a copy to:

Meyer G. Koplou  
Wachtell, Lipton, Rosen & Katz  
51 West 52nd Street  
New York, NY 10019  
Fax: 212.403.2000

For R.J. Reynolds Tobacco Company:

Charles A. Blixt  
General Counsel  
R.J. Reynolds Tobacco Company  
401 North Main Street  
Winston-Salem, NC 27102  
Fax: 910.741.2998

With a copy to:

Arthur F. Golden  
Davis Polk & Wardwell  
450 Lexington Avenue  
New York, NY 10017  
Fax: 212.450.4800

For Brown & Williamson Tobacco Corporation:

F. Anthony Burke  
Brown & Williamson Tobacco Corporation  
200 Brown & Williamson Tower  
401 South Fourth Avenue  
Louisville, KY 40202  
Fax: 502.568.7297

With a copy to:

Stephen R. Patton  
Kirkland & Ellis  
200 East Randolph Dr.  
Chicago, IL 60601  
Fax: 312.861.2200

For Lorillard Tobacco Company:

Arthur J. Stevens  
Lorillard Tobacco Company  
714 Green Valley Road  
Greensboro, NC 27408  
Fax: 910.335.7707

I. Cooperation. The parties hereto agree to use their best efforts and to cooperate with each other to cause this Settlement Agreement to become effective, to obtain all necessary approvals, consents and authorizations, if any, and to execute all documents and to take such other action as may be appropriate in connection therewith. Consistent with the foregoing, the parties hereto agree that they will not directly or indirectly assist or encourage any challenge to this Settlement Agreement by any other person. All parties hereto agree to support the integrity and enforcement of the terms of this Settlement Agreement.

J. Governing Law. This Settlement Agreement shall be governed by the laws of the State of Minnesota, without regard to the conflicts of law rules of such state.



K. Construction. None of the parties hereto shall be considered to be the drafter of this Settlement Agreement or any provision hereof for the purpose of any statute, case law or rule of interpretation or construction that would or might cause any provision to be construed against the drafter hereof.

L. Severability. Subject to the provisions of Paragraph V.B., the terms of this Agreement are severable. If any term of this Agreement is found to be unlawful, the remaining terms shall remain in full force and effect, and the parties agree to negotiate a substitute term of equivalent value.

M. Intended Beneficiaries. This action was brought by the State of Minnesota, through its Attorney General, and by Blue Cross to recover certain monies and to promote the health and welfare of the people of Minnesota. No portion of this Settlement Agreement shall provide any rights to, or be enforceable by, any person or entity that is neither a party hereto nor a person encompassed by the releases provided in paragraphs III.B. and C. of this Settlement Agreement. Except as expressly provided in this Settlement Agreement, no portion of this Settlement Agreement shall bind any non-party or determine, limit or prejudice the rights of any such person or entity. None of the rights granted or obligations assumed under this Settlement Agreement by the parties hereto may be assigned or otherwise conveyed without the express prior written consent of all of the parties hereto.

N. Counterparts. This Settlement Agreement may be executed in counterparts. Facsimile or photocopied signatures shall be considered as valid signatures as of the date hereof, although the original signature pages shall thereafter be appended to this Settlement Agreement.



IN WITNESS WHEREOF, the parties hereto, through their fully authorized representatives,  
have agreed to this Comprehensive Settlement Agreement and Release as of this 8th day of May,  
1998.

STATE OF MINNESOTA, acting by and through  
Hubert H. Humphrey III, its duly elected and  
authorized Attorney General

By: \_\_\_\_\_  
Hubert H. Humphrey III  
Attorney General

\_\_\_\_\_  
Lee E. Sheehy  
Chief Deputy Attorney General

\_\_\_\_\_  
Eric A. Johnson  
Executive Assistant to the Attorney General

\_\_\_\_\_  
Thomas F. Pursell  
Senior Counsel to the Attorney General

\_\_\_\_\_  
D. Douglas Blanke  
Director of Consumer Policy

COUNSEL TO THE STATE OF MINNESOTA

By: \_\_\_\_\_  
Michael V. Ciresi  
Robins, Kaplan, Miller & Ciresi L.L.P.

PHILIP MORRIS INCORPORATED

By: \_\_\_\_\_  
Meyer G. Koplow  
Counsel

By: \_\_\_\_\_  
Martin J. Barrington  
General Counsel

R.J. REYNOLDS TOBACCO COMPANY

By: \_\_\_\_\_  
D. Scott Wise  
Counsel

By: \_\_\_\_\_  
Charles A. Blixt  
General Counsel

BROWN & WILLIAMSON TOBACCO  
CORPORATION

By: \_\_\_\_\_  
Stephen R. Patton  
Counsel

By: \_\_\_\_\_  
F. Anthony Burke  
Vice President and General Counsel

LORILLARD TOBACCO COMPANY

By: \_\_\_\_\_  
Arthur J. Stevens  
Senior Vice President & General Counsel

## SCHEDULE A

AMOUNTS PAYABLE BY SETTLING DEFENDANTS ON OR  
BEFORE SEPTEMBER 5, 1998 PURSUANT TO  
PARAGRAPH II.B. OF THE SETTLEMENT AGREEMENT

| <u>Date</u>                                  | <u>9/5/98</u>         |
|--|-----------------------|
| <b><u>Settling Defendants</u></b>            |                       |
| Philip Morris Incorporated .....             | \$ 163,200,000        |
| R.J. Reynolds Tobacco Company .....          | \$ 16,320,000         |
| Brown & Williamson Tobacco Corporation ..... | \$ 42,960,000         |
| Lorillard Tobacco Company .....              | \$ 17,520,000         |
| <b>Total Amount .....</b>                    | <b>\$ 240,000,000</b> |

## **SCHEDULE B**

### **Potential Future Legislation to Reduce Tobacco Use by Children**

- Legislation to expand the self-service-sale restrictions of the youth access to tobacco law and to remove the current exception for sales of cigars.
- Legislation to clarify the current youth access law provision on vending machines, making clear that machines equipped with automatic locks or that use tokens are vending machines within the meaning of the law.
- Legislation providing enhanced or coordinated funding for enforcement efforts under sales-to-minors provisions of the criminal code or the youth access statute and ordinances.
- Legislation to encourage or support the use of technology to increase effectiveness of age-of-purchase laws, such as, without limitation, the use of programmable scanners or scanners to read drivers' licenses.
- Legislation or rules restricting the wearing, carrying or display of tobacco indicia in school-related settings, including, without limitation, in school facilities, on school premises, or in connection with school-sponsored activities.
- Legislation to create or stiffen non-monetary incentives for youth not to smoke, such as expansion of youth community service programs.

**APPENDIX A**  
**FORMULA FOR CALCULATING**  
**STATE OF MINNESOTA VOLUME ADJUSTMENTS**

Any payment that by the terms of the Settlement Agreement is to be adjusted pursuant to this Appendix (the "Applicable Base Payment") shall be adjusted pursuant to this Appendix in the following manner:

(A) in the event the aggregate number of units of Tobacco Products sold domestically by the Settling Defendants in the Applicable Year (as defined hereinbelow) (the "Actual Volume") is greater than the aggregate number of units of Tobacco Products sold domestically by the Settling Defendants in 1997 (the "Base Volume"), the Applicable Base Payment shall be multiplied by the ratio of the Actual Volume to the Base Volume;

(B) in the event the Actual Volume is less than the Base Volume,

(i) the Applicable Base Payment shall be multiplied by the ratio of the Actual Volume to the Base Volume, and the resulting product shall be divided by 0.98; and

(ii) if a reduction of the Applicable Base Payment results from the application of subparagraph (B)(i) of this Appendix, but the Settling Defendants' aggregate net operating profits from domestic sales of Tobacco Products for the Applicable Year (the "Actual Net Operating Profit") is greater than the Settling Defendants' aggregate net operating profits from domestic sales of Tobacco Products in 1997 (the "Base Net Operating Profit") (such Base Net Operating Profit being adjusted upward by the greater of the rate of 3% per annum or the actual total percent change in the Consumer Price Index, in either instance for the period between January 1, 1998 and the date on which the payment at issue is made), then the amount by which the Applicable Base Payment is reduced by the application of

subparagraph (B)(i) shall be reduced (but not below zero) by 2.55% of 25% of such increase in such profits. For purposes of this Appendix, "net operating profits from domestic sales of Tobacco Products" shall mean net operating profits from domestic sales of Tobacco Products as reported to the United States Securities and Exchange Commission ("SEC") for the Applicable Year or, in the case of a Settling Defendant that does not report profits to the SEC, as reported in financial statements prepared in accordance with generally accepted accounting principles and audited by a nationally recognized accounting firm. The determination of the Settling Defendants' aggregate net operating profits from domestic sales of Tobacco Products shall be derived using the same methodology as was employed in deriving such Settling Defendants' aggregate net operating profits from domestic sales of Tobacco Products in 1997. Any increase in an Applicable Base Payment pursuant to this subparagraph B(ii) shall be payable within 120 days after the date that the payment at issue was required to be made.

(C) "Applicable Year" means (i) with respect to the payments made pursuant to paragraph II.D of the Settlement Agreement, the calendar year ending on the date on which the payment at issue is due, regardless of when such payment is made; and (ii) with respect to all other payments made pursuant to this Settlement Agreement, the calendar year immediately preceding the year in which the payment at issue is due, regardless of when such payment is made.

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF RAMSEY

SECOND JUDICIAL DISTRICT

THE STATE OF MINNESOTA,  
BY HUBERT H. HUMPHREY III,  
ITS ATTORNEY GENERAL,

Case Type: Other Civil  
Court File No. C1-94-8565

and

BLUE CROSS AND BLUE SHIELD  
OF MINNESOTA,

Plaintiffs,

vs.

**CONSENT JUDGMENT**

PHILIP MORRIS INCORPORATED,  
R.J. REYNOLDS TOBACCO COMPANY,  
BROWN & WILLIAMSON TOBACCO  
CORPORATION, B.A.T. INDUSTRIES  
P.L.C., BRITISH-AMERICAN TOBACCO  
COMPANY LIMITED, BAT (U.K. &  
EXPORT) LIMITED, LORILLARD  
TOBACCO COMPANY, THE AMERICAN  
TOBACCO COMPANY, LIGGETT GROUP,  
INC., THE COUNCIL FOR TOBACCO  
RESEARCH-U.S.A., INC., and THE  
TOBACCO INSTITUTE, INC.,

Defendants.

WHEREAS, the State of Minnesota, by its Attorney General, Hubert H. Humphrey III, and Blue Cross and Blue Shield of Minnesota filed their Complaint herein on August 17, 1994, and their Second Amended Complaint on January 6, 1998;

**EXHIBIT A**

WHEREAS, Defendants have contested the claims in the Plaintiffs' Complaint and Second Amended Complaint;

WHEREAS, the parties recognize that Congress is considering national tobacco legislation and have agreed to settle this case on a basis which acknowledges possible federal legislation, but which guarantees to the people of Minnesota the relief granted herein;

WHEREAS, Settling Defendants, in the Settlement Agreement and Stipulation for Entry of Consent Judgment, have waived as specified therein their right to challenge the terms of this Consent Judgment as being superseded or preempted by future Congressional enactments; and

WHEREAS, the Attorney General believes the entry of this Consent Judgment is appropriate and in the public interest;

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED AS FOLLOWS:

**I. JURISDICTION AND VENUE**

The Court has jurisdiction over the subject matter of this action and over the Settling Defendants under Minn. Stat. §§ 8.31, 325D.15, 325D.45, 325D.58, 325F.70 and 484.01 (1994). Venue is proper in Ramsey County pursuant to Minn. Stat. §§ 325D.65 and 542.09 (1994) in that Settling Defendants do business in Ramsey County.

**II. DEFINITIONS**

The definitions set forth in the Settlement Agreement and Stipulation for Entry of Consent Judgment ("Settlement Agreement") are incorporated by reference herein.



### **III. APPLICABILITY**

This Consent Judgment applies only to Settling Defendants in their corporate capacity acting through their respective successors and assigns, directors, officers, employees, agents, subsidiaries, divisions, or other internal organizational units of any kind or any other entities acting in concert or participation with them. The remedies and penalties in Sections XD. and E. herein for a violation of this Consent Judgment shall apply only to Settling Defendants, and shall not be imposed or assessed against any employee, officer or director of Settling Defendants or other person or entity as a consequence of such a violation, and there shall be no jurisdiction under this Consent Judgment to do so.

### **IV. EFFECT ON THIRD PARTIES**

This Consent Judgment is not intended to and does not vest standing in any third party with respect to the terms hereof, or create for any person other than the parties hereto a right to enforce the terms hereof.

### **V. INJUNCTIVE RELIEF**

Settling Defendants are permanently enjoined from:

A. On and after December 31, 1998, marketing, licensing, distributing, selling or offering, directly or indirectly, including by catalogue or direct mail, in the State of Minnesota, any service or item (other than tobacco products or any item the sole function of which is to advertise tobacco products) which bears the brand name (alone or in conjunction with any other word), logo, symbol, motto, selling message, recognizable color or pattern of colors, or any other indicia or product identification identical or similar to, or identifiable with, those used for any domestic brand of tobacco products.

B. Making any material misrepresentation of fact regarding the health consequence of using any tobacco product, including any tobacco additives, filters, paper or other ingredients.

Nothing in this paragraph shall limit the exercise of any First Amendment right or any defense or position which persons bound by this Consent Judgment may assert in any judicial, legislative, or regulatory forum.

C. Entering into any contract, combination or conspiracy between or among themselves, which has the purpose or effect of: (1) limiting competition in the production or distribution of information about the health hazards or other consequences of the use of their products; (2) limiting or suppressing research into smoking and health; or (3) limiting or suppressing research into, marketing, or development of new products.

D. Taking any action, directly or indirectly, to target children in Minnesota in the advertising, promotion, or marketing of cigarettes, or taking any action the primary purpose of which is to initiate, maintain or increase the incidence of underage smoking in Minnesota.

## **VI. DISSOLUTION OF DEFENDANT COUNCIL FOR TOBACCO RESEARCH**

Settling Defendants represent that they have the authority to effectuate the following and will do so within 90 days of this Agreement: The Council for Tobacco Research-U.S.A. Inc. shall cease all operations except as necessary to comply with existing grants or contracts and to continue its defense of other lawsuits and will be disbanded and dissolved within a reasonable time period thereafter. To the extent not required elsewhere in this Consent Judgment, the Council for Tobacco Research shall forward all smoking and health research in its possession or control to the Food and Drug Administration subject to appropriate confidentiality protection required by contracts between the Council for Tobacco Research and any third party. Defendants shall preserve all other records

of the Council for Tobacco Research which relate in any way to issues raised in this or any other Attorney General lawsuit. Defendants may not reconstitute the Council for Tobacco Research or its function in any form.

## **VII. PUBLIC ACCESS TO DOCUMENTS AND COURT FILES**

A. The Court's previous Protective Orders are hereby dissolved with respect to all documents, including the 4A and 4B indices and the privilege logs, which have been produced to the Plaintiffs and for which Defendants have made no claim of privilege or Category II trade secret protection. Such documents shall be made available to the public at the Depository, in the manner provided as follows:

1. The public shall be given access to all non-privileged documents contained in the Minnesota Depository, including all documents set forth in Paragraph VII.A. above.

2. Plaintiffs and Settling Defendants shall meet with representatives of the current Minnesota Depository administrators, Smart Legal Assistance and Merrill Corporation, and/or other appropriate persons, to discuss staffing issues and the procedures that should be implemented to continue the operation of the Minnesota Depository, thereby to ensure broad and orderly access to these documents.

3. Category II documents shall be returned to the Defendants as soon as practical, provided that Defendants, upon receiving appropriate assurances of trade secret protection from the Food and Drug Administration, shall forward a copy of the Category II documents bearing the Bates numbers from this action to said agency. Plaintiffs shall retain the Bates stamp numbers of all Category II documents produced in this case.

B. The documents produced in this case are not "government data" under the Minnesota Government Data Practices Act.

C. For documents upon which a privilege was claimed and found not to exist, including any briefs, memoranda and other pleadings filed by the parties which include reference to such documents, Plaintiffs may seek court approval to make such documents available to the public, provided that any such request be made to the Court within 45 days of the date of entry of this Consent Judgment.

D. Defendant British-American Tobacco Company Limited shall maintain and operate the Guildford Depository for a period of ten years. Defendant British-American Tobacco Company Limited shall have the option of maintaining such depository at its current location or at an appropriate alternative location. All documents, except those identified in Paragraph VII.A.3 above, which were selected by plaintiffs from the Guildford Depository in response to the Plaintiffs' discovery requests shall be moved to and retained at the Minnesota Depository.

E. The Minnesota Depository shall be maintained and operated at Settling Defendants' sole expense, in the manner set forth above for ten years after the date hereof, or such longer period as may be provided in federal legislation for a national document depository. At the end of such period, or sooner, at the State's discretion, the documents shall be transferred to the State Archives or other appropriate state body, where they shall remain available for historical and research purposes. The parties and the Depository staff shall cooperate with the State Archivist or such other state officials as may be involved in transferring the documents to the custody of the State.

F. Settling Defendants shall provide to the State for the Depository a copy of all existing CD-ROMs of documents produced in this action that do not contain any privileged or work-product documents or information, to be placed in the Depository.

G. Defendants shall produce to the Depository all documents produced by such defendants in other United States smoking and health litigation but not previously produced in Minnesota, within 30 days of their production in the other litigation, provided Defendants do not claim privilege with respect to such documents, and provided such documents are not subject to any protective order.

#### **VIII. EQUITABLE RELIEF: NATIONAL RESEARCH; DEPOSIT OF FUNDS.**

A. In furtherance of the equitable relief sought by the State, pursuant to the Court's equitable powers to shape appropriate injunctive relief, in light of the public health interests demonstrated by the evidence in this case, and pursuant to the agreement of the parties:

1. Consistent with the Prayer for Relief in the State's Complaint and Amended Complaints that the Defendants fund cessation programs in the State of Minnesota, the amount due in December, 1998 (\$102 million), pursuant to the Settlement Agreement, Section II.D, shall be deposited into a separate cessation account and used to offer smoking cessation opportunities to Minnesota smokers, and shall be administered as ordered by the Court.

2. In addition to other money paid under this Consent Judgment and the Settlement Agreement and Stipulation for Entry of Consent Judgment, each Settling Defendant shall pay pro rata in proportion to its Market Share, on or before June 1, 1998, and no later than June 1 of each succeeding year through and including June 1, 2007, its share of

\$10 million into a national research account, to be administered as ordered by the Court. The parties envision that approximately 70% of the \$100 million total will be used for research grants relating to the elimination of tobacco use by children, and 30% for program implementation, evaluation and other tobacco control purposes; provided, however, the administrator of the national research account may, in its discretion, change the allocation.

3. The State shall submit a plan for the administration and authorized uses of the funds payable under this section within 45 days of the date of entry of this Consent Judgment.

4. Monies payable under this section and Section V.B. of the Settlement Agreement shall be deposited in interest bearing accounts at a bank to be designated by the Commissioner of Finance. Settling Defendants' payment of the amounts set forth above are Settling Defendants' sole obligation under this section.

B. Except as specified in this section and Section V.B of the Settlement Agreement, all monies payable under Sections II.B. and D. of the Settlement Agreement between the parties shall be deposited into the general fund of the State of Minnesota.

#### **IX. FINAL DISPOSITION**

This Consent Judgment resolves all claims set forth in the State's Second Amended Complaint against Defendants, which are hereby dismissed with prejudice, and shall constitute the final disposition of this action.

#### **X. MISCELLANEOUS PROVISIONS**

A. Jurisdiction of this case is retained for the purpose of enforcement and enabling the continuing proceedings contemplated herein. Any party to this Consent Judgment may apply to this



Court at any time for such further orders and directions as may be necessary or appropriate for the construction and enforcement of this Consent Judgment.

B. This Consent Judgment is not intended to be and shall not in any event be construed as, or deemed to be, an admission or concession or evidence of personal jurisdiction or any liability or any wrongdoing whatsoever on the part of any Defendant. The Defendants specifically disclaim any liability or wrongdoing whatsoever with respect to the claims and allegations asserted against them in this action and Settling Defendants have stipulated to entry of this Consent Judgment solely to avoid the further expense, inconvenience, burden and risk of litigation.

C. Except as provided in Section III.D. of the Settlement Agreement and Stipulation for Entry of Consent Judgment, this Consent Judgment shall not be modified unless the party seeking modification demonstrates, by clear and convincing evidence, that it will suffer irreparable harm from new and unforeseen conditions; provided, however, that the provisions of Section III of this Consent Judgment shall in no event be subject to modification. Changes in the economic conditions of the parties shall not be grounds for modification. It is intended that Settling Defendants will comply with this Consent Judgment as originally entered, even if Settling Defendants' obligations hereunder are greater than those imposed under current or future law. Therefore, a change in law that results, directly or indirectly, in more favorable or beneficial treatment of any one or more of the Settling Defendants shall not support modification of this Consent Judgment.

D. In enforcing this Consent Judgment the Attorney General shall have the discovery powers of Minn. Stat. § 8.31 (1996), as amended. Any Settling Defendant which violates this Consent Judgment shall be subject to contempt and to the remedies provided in Minn. Stat. § 8.31 (1996), as amended. In addition, in any proceeding which results in a finding that a Settling



Defendant violated this Consent Judgment, the responsible Settling Defendant or Settling Defendants shall pay the State's costs and attorneys' fees incurred in such proceeding.

E. The remedies in this Consent Judgment are cumulative and in addition to any other remedies the State may have at law or equity. Nothing herein shall be construed to prevent the State from bringing any action for conduct not released hereunder, even though that conduct may also violate this Consent Judgment.

LET JUDGMENT BE ENTERED ACCORDINGLY.

Dated: \_\_\_\_\_

\_\_\_\_\_  
KENNETH J. FITZPATRICK  
Judge of District Court

#### JUDGMENT

Pursuant to the foregoing Consent Judgment, judgment is hereby entered accordingly.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Court Administrator

## TOBACCO SETTLEMENT PAYMENTS TO THE STATE TREASURY<sup>1</sup>

| <b>Current Biennium</b> | <b>Payments</b> |
|-------------------------|-----------------|
| September 5, 1998       | \$240 Million   |
| January 4, 1999         | \$220.8 Million |

| <b>FY2000/2001 Biennium</b> | <b>Payments</b>  |
|-----------------------------|------------------|
| December 31, 1999           | \$114.75 Million |
| January 3, 2000             | \$242.5 Million  |
| December 31, 2000           | \$127.5 Million  |
| January 2, 2001             | \$242.5 Million  |

| <b>FY2002/2003 Biennium</b>               | <b>Payments</b>  |
|---|------------------|
| December 31, 2001                         | \$165.75 Million |
| January 2, 2002                           | \$242.5 Million  |
| December 31, 2002                         | \$165.75 Million |
| January 2, 2003                           | \$121.5 Million  |
| Every December 31 from 2003<br>Thereafter | \$204 Million    |

|                      |                        |
|----------------------|------------------------|
| <b>25-Year Total</b> | <b>\$5,963,550,000</b> |
|----------------------|------------------------|

<sup>1</sup> Payments made after January of 1999 (with the exception of the \$10 million payments each January) will be raised 3% or by the national Consumer Price Index (CPI) for the previous year -- whichever is greater, and will be adjusted downward if profits go down due to falling sales.



# STATE OF MINNESOTA

## OFFICE OF THE ATTORNEY GENERAL

HUBERT H. HUMPHREY III  
ATTORNEY GENERAL

October 16, 1998

102 STATE CAPITOL  
ST. PAUL, MN 55155-1002  
TELEPHONE: (612) 296-6196

Dear Legislator:

In his letter to you of October 9, 1998, the Governor conveyed a number of unfortunate misconceptions about the Minnesota Partnership for Action Against Tobacco (MPAAT). Because MPAAT will play a central role in the battle against our nation's number one preventable public health problem -- tobacco use -- it is important to dispel these misconceptions and to give you an accurate picture of an organization which the World Health Organization, the United States Centers for Disease Control and other states already view as a model public health program.

First, MPAAT's structure -- which the Governor misunderstands or mischaracterizes -- flows from a central recommendation of the prestigious Advisory Committee on Tobacco Policy and Public Health, a group formed to study tobacco and health policy in 1997 at the request of a bipartisan group of Members of Congress. The Advisory Committee was chaired by former Surgeon General, Dr. C. Everett Koop and former FDA Commissioner, Dr. David A. Kessler-- and was made up of 20 leading national health organizations, including the American Medical Association, the American Academy of Pediatrics, the American Cancer Society, the American Heart Association, the American Lung Association, the American Public Health Association, the Association of State and Territorial Health Officials and others. After careful study, this panel concluded that tobacco prevention and control should be overseen by a new, independent, non-profit organization in the private sector, funded with money obtained from the tobacco companies. Given the tobacco industry's history of insidious influencing of people and organizations -- shocking examples of which have recently come to light in the Minnesota tobacco documents -- the Advisory Committee saw it as critical that these activities be independent from direct tobacco company influence and from all kinds of covert influence which the industry has so easily purchased in the past.

Based on the Advisory Committee's so-called "Koop-Kessler Report," I proposed to the Court that the settlement funds which the Court set aside for cessation and research be administered by just such an independent, non-profit organization. That's what MPAAT is, and that's what the Court approved. By design, it is not a "state board," as the Governor repeatedly suggests, because state boards -- and even state Governors -- are far too likely to play politics with the critical issue of tobacco control. State agencies -- like the Carlson Administration Health Department -- are far too likely to lose or divert tobacco control dollars, and to fail to enforce measures such as the ingredient disclosure law passed in 1997. The current Administration failed to implement the law for eighteen months -- perhaps because the Governor expressed such hostility to it at the time he reluctantly signed the law.

Facsimile: (612) 297-4193 • TTY: (612) 297-7206 • Toll Free Lines: (800) 657-3787 (Voice), (800) 366-4812 (TTY)

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It is important for you to know that the Governor had ample notice of the court hearing on MPAAT, and received a detailed description of its terms before that hearing. Far from making a secret of MPAAT, we gave our proposed plan for the organization to him, to other members of his administration, and to scores of public health advocates around Minnesota. The Governor failed to raise any of the objections he now claims are so important. This clearly shows the Governor's latest attack to be politically motivated, timed with the election in mind. The attack itself proves the need for program independence. We will never defeat this deadly epidemic -- an epidemic that accounts for one of every six deaths -- unless we make tobacco control efforts both accountable and independent from petty partisanship.

Second, while MPAAT is not a governmental body, it is designed to be more accountable to the public than any other non-profit 501(c)(3) corporation that I am aware of. Indeed, accountability, is one of the two main themes -- expertise is the other -- which pervade the structure and operation of MPAAT. Among the accountability features built into MPAAT:

- The entire organization was created by, approved by and remains under the continuing supervision of the District Court.
- Governor Carlson himself has appointed two of the Directors of MPAAT. One of his appointees chairs the organization's Finance Committee.
- In addition to fulfilling its other regulatory obligations under the IRS Code and the Minnesota Non-Profit Corporations Act, MPAAT must file periodic reports with the District Court and with the Legislature.
- MPAAT is subject to audit by the Legislative Auditor, in addition to annual audit by outside, independent auditors.
- Eight of the 21 directors are appointed by public officials: two each by the Governor, the Attorney General, the Speaker of the House and the Senate Majority Leader. To ensure bipartisanship, the appointees from each legislative house must be of different political parties.
- Two more directors come from local governments, for a total of ten directors answerable directly to the public, in addition to the accountability that all the directors have to the District Court, and in addition to the legal accountability of all directors of non-profit corporations.
- By Order of the Court, at my suggestion, meetings of the Board of Directors are open to the public, as are grants and contracts.
- Directors serve without *per diem* or other compensation.

- By Order of the Court, at my suggestion, the Board must adopt an enhanced conflict-of-interest policy requiring full disclosure of potential conflicts of interest.
- Staff salaries are capped at the statutory levels for comparable positions in state service.

MPAAT is a brand new organization which does not even get custody of the settlement funds until the Court approves its financial audit controls, and initial expenditure proposals. Even so, the above features put MPAAT far beyond the most open, best-practices recommendations of the non-profit world. Can the Governor name another private, non-profit corporation with so many public controls? Do any of the non-profit organizations with which he is personally involved have comparable safeguards? Has the Governor proposed to foist the whole panoply of state bureaucratic restrictions on any other private corporation? →

Third, the Governor complains that, under the Order of the District Court approving MPAAT, members of MPAAT's Board of Directors must each have demonstrated a personal commitment to tobacco prevention and control. There is nothing Big Tobacco would like better than to remove this key safeguard, so they could sabotage MPAAT by arranging the appointment of directors friendly to tobacco interests. I frankly do not consider it at all remarkable that the directors of any board should be required to have a demonstrated commitment to its mission. I do find it remarkable that the Governor would remove this key safeguard against tobacco industry subversion.

But then, this Administration has long been strangely silent on matters adverse to tobacco interests. As the RAND Corporation found in a national study for the Robert Wood Johnson Foundation in 1997, Governor Carlson's Administration "has come under fire for being all but mute on tobacco control issues", to the extent that the Carlson Health Department "has been essentially marginalized." Jacobson and Wasserman, State Tobacco Control Laws: Implementation and Enforcement, (RAND, Washington, D.C., 1997), at 130.

Fourth, descending from the frivolous to the absurd, the Governor criticizes the fact that "[t]he two honorary co-chairmen of the Board, Doctors C. Everett Koop and David Kessler, are not residents of the State of Minnesota," yet they are "spending \$200 million of the public's money." I am honored that Drs. Koop and Kessler, perhaps the world's two preeminent figures in tobacco control (and both appointed by Republican Presidents), have agreed to serve as honorary co-chairs of MPAAT's Board, and that Dr. Koop has agreed to be a regular board member. They, along with fellow non-Minnesotan John Garrison, President of the American Lung Association, give this Board an enormous depth of wisdom and practical experience in public health. Together with the blue-ribbon Minnesota appointees, and subject to all of the controls listed above, they will indeed help make decisions about how to spend 202 million tobacco industry dollars which the Court ordered paid into designated smoking cessation and national research accounts.



I say we are lucky to have them -- and I ask the Governor in turn: When did Minnesota stop being *world* class? When did our vision of excellence stop at the state border? Did we not recruit a University of Minnesota president from Texas? Are all our elected officials Minnesota natives?

Next, the Governor states that I have "proposed placing an additional \$650 million from the general fund into this Board, effectively away from any meaningful legislative oversight or control over the spending." I have indeed called on the Legislature to fund MPAAT with an additional \$650 million in tobacco settlement dollars -- to be spent over twenty-five years. Although the Governor neglects to mention it, I have been joined in that proposal by many highly-regarded organizations, including, most recently, the Mayo Foundation and the Minnesota Medical Association. It is inaccurate to suggest, however, that such a move would place the money "away from any meaningful oversight or control." The Legislature is free to adopt any controls it feels important to the proper administration of the funds.

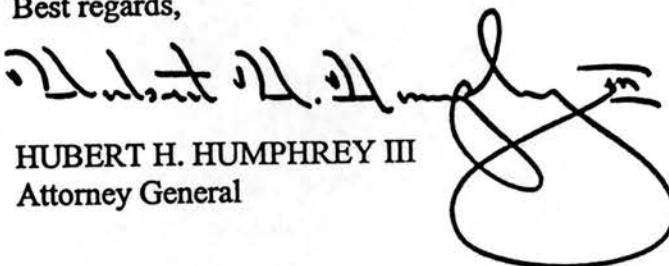
The Governor also deliberately confuses the discussion when he compares the amount of this proposed twenty-five year endowment with the amount of annual expenditures for other purposes. As the Governor knows, my proposal is for an endowment, to be used over twenty-five years. For the Governor to now criticize the creation of such an endowment or trust fund is peculiar, to put it mildly. Last year Governor Carlson himself proposed that tobacco settlement proceeds be placed in just such a trust fund to finance long-term health care projects. What prompts his about-face three weeks before the election, only he can say.

An endowment of the size I propose would fund annual spending in the range of perhaps fifty million dollars annually. While that is fifty times more than Governor Carlson has budgeted for our number one health problem, it is exactly the range the U.S. Centers for Disease Control says we need to succeed. Perhaps the most telling comparison is that between the one million dollars the Carlson Administration now spends, begrudgingly, on tobacco, and the \$1.3 billion the Carlson Administration itself says tobacco costs us each year in medical bills and lost worker productivity.

In the same paragraph of his letter the Governor alleges that "there is no apparent coordination for the expenditures" by MPAAT and other tobacco control funds, and no "methods to assess the efficacy of this significant spending." Perhaps the Governor should read the Court Order and Plan. Program evaluation will be a strong organic component of all MPAAT projects. At my suggestion, the Court's Order specifically requires the board to "[i]ncorporate strong evaluation components from the inception of programs and modify as necessary to maximize health outcomes." Similarly, coordination with other tobacco control activities is also inherent to MPAAT's activities, since the Order also mandates that MPAAT "[b]uild upon the plans and recommendations of other Minnesota planning efforts for tobacco control..."

Finally, the Governor called this board "a scandal waiting to happen." Please find enclosed a copy of the biographies of the Board members and a copy of the Court's Order and Plan. I urge you to form your own opinions about whether this blue ribbon board of Minnesota and national experts (which includes two members appointed by the Governor), is "a scandal waiting to happen."

Best regards,

A handwritten signature in black ink, appearing to read "Hubert H. Humphrey III", with a large, stylized flourish at the end.

HUBERT H. HUMPHREY III  
Attorney General

cc: Board of Directors, Minnesota Partnership for Action Against Tobacco



**MINNESOTA PARTNERSHIP FOR ACTION AGAINST TOBACCO**

**Biographies of Board of Directors**

**GERALD W. CHRISTENSON**

**Distinguished Adjunct Professor, University of St. Thomas**

Dr. Christenson served as Chancellor of the Minnesota Community College System from 1983 until his retirement from that position in 1992. As the chief executive officer of the Minnesota Community College System, Dr. Christenson directed the operation of twenty-one campuses with total enrollment of over 56,000 students, 4,000 employees and an annual budget of \$150 million. During his tenure there, he worked toward a smoke-free environment on all campuses, and Christenson's frequent attendance at the Minnesota tobacco trial attests to his interest in reducing the human and economic consequences of tobacco use. Under his leadership, enrollment in Minnesota's Community Colleges increased by 50 percent, the number of minority students tripled, services to non-traditional students were vastly expanded, and the Legislature authorized over \$140 million in construction projects on community college campuses. Following his retirement as Chancellor, Dr. Christenson accepted an appointment as Distinguished Adjunct Professor at the University of St. Thomas. Prior to his service to the Minnesota Community College System, Dr. Christenson held a number of high level positions in Minnesota state government, including Commissioner of Finance, State Planning Director, and Legislative Auditor. Christenson holds a BA from St. John's University and an MA and Ph.D. from the University of Minnesota.

**JOHN R. GARRISON****Managing Director, American Lung Association**

John Garrison has served as Managing Director of the American Lung Association since 1990. The Lung Association, founded in 1904, speaks with a strong voice on national health issues as well as involves hundreds of thousands of volunteers in fighting to prevent lung disease and promote lung health through more than 90 affiliates across the U.S. Under Garrison's leadership, the Lung Association has stood firm in its opposition to any Congressional action on tobacco that fails to achieve meaningful public health protections or that grants the tobacco industry any special legal protections. Garrison and ALA asked Congress and President Clinton to scrap the inadequate deal presented by the industry in 1997, and worked effectively with organizations across the country to strengthen federal tobacco legislation considered in 1998. Prior to his work with the Lung Association, Mr. Garrison served for more than a decade as President and Chief Executive Officer of the National Easter Seal Society. He has also served as Deputy Commissioner for Administration in the New York State Department of Health, and spent seven years on health and social welfare policies in the office of New York Governor Nelson Rockefeller. In 1990, Mr. Garrison was recognized by *Business Week* as one of American's five top social service executives. Mr. Garrison did his undergraduate work at Harvard College, and earned his Masters in Public Administration at New York University.

**LEE GREENFIELD**

**Chair, Health and Human Services Finance Division, Health and Human Services Committee, Minnesota House of Representatives**

Lee Greenfield was elected to the Minnesota House of Representatives in 1978. He is chair of the Health and Human Services Finance Division of the Health and Human Services Committee, a position he has held since 1987. He is also Co-Chair of the Joint Legislative Commission on Health Care Access. He was one of the HealthRight's "gang of seven," the group of seven legislators who developed the bipartisan agreement on health care reform in 1992 (now known as "Minnesota Care"). He is a member of the steering committee and past chair of the Reforming States Group, a member of the Health Committee of the National Conference of State Legislators (NCSL), and a member of the steering committee of the National Academy of State Health Policy's Managed Care and Purchasing Strategies. Lee is also on the advisory committees of the Intergovernmental Health Policy Project of NCSL and the Center for Studying Health System Change. Greenfield supported funding for tobacco control and was also a strong supporter of the three-year effort to pass Minnesota's landmark youth access tobacco legislation, as well as any legislation presented to the House to strengthen clean indoor air measures. Representative Greenfield holds a BS in Physics from Purdue University and has done graduate studies in the history and philosophy of science at the University of Minnesota.

**A. STUART HANSON**

**President, Minnesota Coalition for a Smoke Free Society 2000**

Since 1971, Dr. Hanson has had a private practice in Internal Medicine, subspecializing in lung disease, at the Park Nicollet Clinic in Minneapolis, Minnesota. Dr. Hanson is the President and CEO of the Institute for Research and Education Health System Minnesota. He is also the current President of the Minnesota Coalition for a Smoke Free Society 2000, having served as its first and founding President in 1984. During the 1980s and early 1990s Dr. Hanson lead the Minnesota Smoke Free Health Care project, and Dr. Hanson served as President and Chair of the Smoke Free Generation - Minnesota effort from 1984 to 1990. He has been an advocate for tobacco control in many public policy forums, including regional health boards, organized medicine, and state and national legislative processes. In addition to his work for a smoke free environment, Dr. Hanson has served as President of the Minnesota Medical Association, chair of the Minnesota delegation to the American Medical Association House of Delegates, vice chair of the Minnesota Health Data Institute, and chair of the Committee on Workplace Violence, Minnesota Healthcare Coalition on Violence. Dr. Hanson is a graduate of Dartmouth College and received his MD from the University of Minnesota School of Medicine.

**JEAN L. HARRIS**

**Mayor, Eden Prairie**

**Chair, Health Subcommittee, U.S. Conference of Mayors**

Since she was a young woman, Dr. Jean Harris has waged a personal crusade against environmental tobacco smoke and has advocated for smoke free rooms in public buildings. As a local government official, Harris has worked for and passed one of the first and toughest local ordinances against youth access to tobacco in Minnesota. The Eden Prairie tobacco control ordinance became a model for other communities in the state when enacted over six years ago. As Mayor, Harris has set the tone for aggressive enforcement of the provisions of the ordinance. As Chair of the Health Subcommittee for the U.S. Conference of Mayors, Harris was instrumental in persuading that body to pass a resolution supporting tobacco control. She is currently working with the national office of USCOM on strategies for greater involvement of cities in tobacco control and prevention activities. For the past year, Harris has functioned as a consultant to the Minnesota Department of Health on tobacco related issues and is currently co-chair of the Department's MHIP tobacco task force. In her long and distinguished years of public service, Dr. Harris has served as Director of Medical Affairs for the University of Minnesota Hospitals and Clinics; as President and CEO of the Ramsey Foundation, the medical education and research arm of the St. Paul Ramsey Medical Center; as Secretary of Human Resources for the State of Virginia; and as a consultant to the U.S. Agency for International Development, the National Institute of Health, the U.S. Department of Health and Human Services, and the U.S. Congress. Dr. Harris was appointed to Task Forces by both Presidents Carter and Reagan. She is currently a member of the Institute of Medicine of the National Academy of Sciences. She attended Virginia Union University for her BS in chemistry and holds an MD from the Medical College of Virginia, earning the distinction of being the first black to graduate from the University of Virginia Medical School. Harris also holds a Ph.D. in science from the University of Richmond.

**RICHARD D. HURT****Director, Mayo Nicotine Dependence Center, Mayo Clinic, Rochester, MN**

Doctor Richard Hurt is the Director of the Nicotine Dependence Center at the Mayo Clinic and Professor of Medicine at the Mayo Medical School in Rochester, Minnesota. Doctor Hurt and colleagues at Mayo have developed a treatment program for nicotine dependence based on behavioral treatment, addictions treatment, pharmacological treatment, and relapse prevention. Since its inception in April of 1988, the Nicotine Dependence Center has treated over 16,000 patients with services including individual counseling, group programs, telephone counseling and an intensive residential treatment program. The Center also provides educational services for medical students, residents, trainees, and fellows and has developed a training program for health care providers who want to provide clinical services to patients with nicotine dependence. The research activities of the Center have included randomized clinical trials with pharmacological agents in addition to outcomes research, epidemiological studies, and basic science research. The goal of the Center is to enhance the quality of life for patients with nicotine dependence by providing the best treatment possible through a program that fully integrates practice, education and research. Dr. Hurt has written and spoken widely on addiction and addiction treatment, and serves as a scientific reviewer for numerous journals and research study sections. Dr. Hurt earned his BA at Murray State University, and his MD at the University of Louisville.



**ARLA JOHNSON****Chair, Advocacy Group - American Cancer Society, Minnesota Council**

Arla Johnson has been a volunteer with the American Cancer Society for 29 years, serving in several leadership roles, including Minnesota Division Chairman of the Board, Tobacco Control Subgroup Chair and, most recently, Chair of the Advocacy Group at the state level. She has represented ACS on Minnesota ASSIST's Executive Committee and is also a member of the ACS National Public Issues Committee, which determines tobacco policy at the Congressional level. Johnson represents Minnesota on the National ACS Assembly, as well as the new ACS Midwest Division Board of Directors. Arla began her involvement in the tobacco control arena 20 years ago when she conducted ACS Quit Smoking programs for adults who needed help quitting. That experience led to tobacco control leadership responsibilities at the ACS state level and eventually to her major role in ensuring passage of the 1992 Tobacco Free Schools Bill. She was actively involved in the long struggle to pass Minnesota's landmark Youth Access to Tobacco bill, which became law in 1997. Last year Arla also helped pass a local youth access ordinance in her own part of the state. Johnson owned and managed a retail business for 14 years, supervising a staff of 8 to 10 employees, and has served on the Board of her local Chamber of Commerce. Johnson attended Mankato State University and Metropolitan State University.

**RANDY JOHNSON****Chair, Hennepin County Board of Commissioners**

Randy Johnson was first elected to the Hennepin County Board of Commissioners in 1978. As a first-year Board member nearly 20 years ago, Johnson introduced the first resolution seeking to safeguard the public and employees from tobacco smoke by making Hennepin buildings smoke-free. Since then he has introduced or co-authored every resolution on tobacco control considered by the Board, successfully making all 99 county buildings smoke-free, sponsoring smoking cessation programs for employees, and supporting *Send The Camel Packing* and other groundbreaking public information programs sponsored by County Community Health staff. Johnson is the immediate past President of the National Association of Counties (NACo), representing more than 5,000 Counties across the U.S. As President of NACo he has been an outspoken proponent of strong local government tobacco control efforts throughout the nation and for federal policies that will aid in these efforts. Recently Johnson met with White House officials to urge the President to oppose the proposed tobacco settlement. In February 1998, Johnson presented a "Statement on the Proposed Tobacco Settlement" at the National Press Club in Washington D.C. Johnson received his BA from Macalester College and his JD from the University of Minnesota Law School.

**ANNE JOSEPH**

**Associate Professor of Medicine, University of Minnesota Medical School;  
General Internist, V.A. Medical Center**

Dr. Joseph has worked almost exclusively in tobacco control since the mid-1980's. Under her leadership, the Minneapolis V.A. was one of the first acute care hospitals in the nation to become smoke-free. Joseph was also instrumental in developing and implementing the national Department of Veterans Affairs smoke-free policy. Dr. Joseph's clinical activities include supervision of smoking cessation services at the Minneapolis V.A. and design of national standards for smoking cessation intervention for veterans. Her teaching activities include education about nicotine dependence in the University of Minnesota Medical School and Internal Medicine training program. She has conducted research on public policy approaches to tobacco control, including work site smoking policies and their effect on employee smoking, and the epidemiology of smoking among U.S. veterans. Dr. Joseph has also studied smoking cessation interventions for special populations; in particular patients with cardiac disease, and she is currently Principal Investigator on two studies: an examination of optimal intervention for patients with concurrent nicotine and alcohol dependence, and strategies to implement the AHCPR Smoking Cessation Clinical Practices Guidelines in 20 V.A. hospitals around the U.S. Dr. Joseph earned her BA and MD at the University of Michigan and earned her Masters of Public Health in Epidemiology from the University of Minnesota.

## **C. EVERETT KOOP**

### **Former Surgeon General, United States of America**

Dr. Koop earned a reputation as a skilled clinician, brilliant researcher and outstanding surgeon during his lengthy career as a medical practitioner. Koop is credited with helping to significantly lower infant mortality by improving pre and post operative care for children and by developing dozens of new surgical and diagnostic procedures, some of which corrected birth defects that had previously been considered uncorrectable. Koop established the nation's first neonatal intensive surgical unit, as well as a total-care pediatric facility, at Philadelphia Children's Hospital, where he was named surgeon-in-chief at the age of 32. After Koop's confirmation as the first full-time Surgeon General in over a decade, Dr. Koop went on to become the most respected public health leader in living memory and the nation's leading voice for tobacco control. Dr. Koop served as Surgeon General for eight full years under Presidents Reagan and Bush and has continued to be a force for public health and health education on many fronts, working from his base as senior scholar at the C. Everett Koop Institute at Dartmouth.

**PEGGY LEPPIK**  
**State Representative**

Peggy Leppik, co-author of Minnesota's ground-breaking 1997 youth access to tobacco legislation, was elected to the Minnesota House of Representatives in 1990. She sits on the Education; Higher Education Finance; Environmental and Natural Resources; Commerce, Tourism and Consumer Affairs Committees, and also serves as Chair of the Higher Education Subcommittee on Reform, and as Vice Chair of the Select Committee on Technology. Deeply involved in her community, Representative Leppik is a long-time resident of Golden Valley and a past member of Golden Valley's Planning Commission, its Board of Zoning Appeals and its Civic Center Task Force. She currently co-chairs the Success by Six Northwest Public Awareness Committee, serves on the Advisory Committee of the Independent School District 281 Ridgedale Alternative Program, and the Advisory Council of the Children, Youth & Family Consortium, is a member of the Board of Directors of Minnesota Project Innovation and of the City Tree Project, and volunteers at the University of Minnesota Landscape Arboretum. Representative Leppik has worked as an editorial consultant for a medical periodical and as a research assistant in biochemistry. She received her BA from Smith College and did post-graduate work at the University of Pennsylvania.

**JAN MALCOLM****Vice President, Public Affairs & Communications, Allina Health System**

As system vice president of public affairs for Allina Health System, Malcolm is responsible for development of public policy positions, government relations, corporate communications and public relations. In that role, Malcolm has played a key part in Allina's active support of Minnesota's landmark Youth Access to Tobacco legislation, in its support for the tobacco litigation, in the Allina system's research into cessation approaches in various health care settings, and in Allina's decision to undertake its own suit against the tobacco industry. Malcolm was also instrumental in Allina's decisions to actively oppose the June 20th Settlement Proposal to Congress, and to work within national managed care organizations to encourage the industry to become more active in tobacco control matters. Prior to joining Allina in 1994, Malcolm was senior vice president for government relations and public programs at HealthPartners. She has served in similar roles at MedCenters and Partners National Health Plan, and began her health policy career at Interstudy. Malcolm has played leadership roles in numerous professional and community organizations, and currently serves as President of the Minnesota Council of Health Plans. Malcolm obtained her BA from Dartmouth College.

**GRETCHEN MUSICANT****Vice President, Community Health, Minnesota Hospital & Healthcare Partnership**

Gretchen Musicant is vice president, community health, Minnesota Hospital and Healthcare Partnership. Musicant is responsible for overseeing and coordinating MHHP's efforts to build healthier communities through partnering activities among MHHP's members, public health and social service agencies, and other organizations so that community health issues may be addressed in a collaborative manner. One important focus of her work has been to support and encourage Minnesota's hospitals and health systems to address tobacco use among youth. She has helped shape the association's advocacy positions on tobacco related legislation and in 1996 oversaw the creation of the STAT! Campaign which successfully involved local hospitals and health systems in efforts to pass city and county tobacco control ordinances. As a result of the STAT! Campaign seventy health care institutions made a commitment to this goal and more ordinances were passed in 1996 and 1997 than in any previous year. The network established through the STAT! Campaign helped to pass state-wide legislation in 1997 and supported local efforts to pass stronger local ordinances in 1998. Musicant will be a speaker at the National Tobacco Control Conference in Minneapolis October 26, 1998. Currently she is Co-chair of the Smoke Free 2000 Public Policy and Legislative Committee. Musicant earned a Bachelor of Science in Nursing and a Masters of Public Health from the University of Minnesota. She also holds a Bachelor of Arts in Biology from St. Cloud State University.



## **MATTHEW RAMADAN**

### **Executive Director, Northside Residents Redevelopment Council**

Matthew Ramadan was a founding board member of the Community Prevention Coalition (CPC), whose main goal is to reduce alcohol, tobacco and other drug problems in Hennepin County. During his four year involvement with the coalition, he co-chaired the Public Awareness/Media Action Group and initiated a number of adolescent mentoring programs in the community for African American youth. During Ramadan's tenure, CPC developed the innovative *Send the Camel Packing* and *Young Rebels* projects targeted at reducing youth tobacco use and creating awareness of how insidious and pervasive tobacco advertising is with our youth. He has a history of championing issues that affect his community and the lives of young people, and is a strong advocate of population level health strategies. Currently, Ramadan is the Executive Director of the Northside Residents Redevelopment Council, which improves and rehabilitates single family homes in north Minneapolis for ownership. Ramadan also acts as the Resident Imam at the Masjid An-Nur . Ramadan has served on many boards, including Turning Point and the Minneapolis Foundation, has been appointed to two Governor's Task Forces, and currently chairs the American Muslim Council - Minnesota Chapter. He received his BA from the University of Minnesota and has participated in numerous continuing education institutes, including several focused on multi-cultural substance abuse prevention.

**LAWRENCE M. REDMOND**  
**President, Redmond Associates, Inc.**

Lawrence M. Redmond is president of Redmond Associates, Inc., a public affairs consulting firm founded in 1977. Mr. Redmond advises a variety of non-profit and commercial organizations on governmental and political trends and policies. Redmond Associates additionally provides representation for these organizations at the federal, state and local levels of government. In recent years Mr. Redmond has been active in efforts to secure state and federal legislation concerning tobacco abuse. He has been particularly active in regard to Minnesota legislation concerning youth access to tobacco products. Over the past 25 years Mr. Redmond has been involved in the following community projects: Minnesota Mental Health Association, board member; Minnesota Board on Judicial Standards, chairman; Deafness Education and Advocacy Foundation; Minnesota Citizens League; St. Louis Park Charter Commission; Governor's Open Appointments Commission; President Mikhail Gorbachev Visit Committee; Advisory Committee to Review the American Bar Association Model of Judicial Conduct and the Rules of the Minnesota Board on Judicial Standards, appointed by the Chief Justice. Mr. Redmond has also been a leader in his professional association. He has served as a board member of the Minnesota Governmental Relations Council and has chaired both their ethics and legislative committees. Mr. Redmond attended the University of Minnesota with concentrated study in English literature and political science.

**CHRISTINE D. RICE****Former Deputy Commissioner, Minnesota Department of Health**

Ms. Rice held high-level positions with the Minnesota Department of Health (MDH) through 1997. As Deputy Commissioner, Ms. Rice was second in command at MDH, responsible for regulation and policy oversight of most MDH operations. Ms. Rice paid particular attention to MDH legislative initiatives during this time, as well as the representation of MDH as a board member with the Minnesota Health Data Institute. Prior to becoming Deputy Commissioner, Ms. Rice served as an Assistant Commissioner at MDH. In that role, Ms. Rice managed the Bureau of Health Protection, which divisions included disease prevention and control, environmental health, and public health laboratories. Ms. Rice's MDH experience also included a two-year stint as Director of Public and Legislative Affairs. Ms. Rice received her BA from the University of Wisconsin in 1971.

**TERRY SLUSS****Commissioner, Crow Wing County & Chair of the Crow Wing County Tobacco Ordinance Committee**

Terry L. Sluss began teaching in 1976 and for the past eight years has specialized in "at-risk" emotional and behavior disorders and crisis intervention. In addition to duties in the Brainerd Public School District, he was elected Crow Wing County Commissioner in 1996, representing Brainerd and Baxter, Minnesota. Sluss has significant specialized experience working with youth in crisis and youth vulnerable for becoming future tobacco users. He is chair of the Crow Wing County Tobacco Ordinance Committee which developed and is currently enforcing a county wide ordinance more restrictive than the minimum state requirements. Sluss is a member of the County Health Board as well as an alternate member of the Minnesota State Community Health Service Advisory Committee. Sluss is also active with the Minnesota Education Association, having participated in statewide discussions to bring school districts and education organizations together. He has held numerous leadership positions in his profession as well as chaired or participated many community committees. Sluss is a panel member at the 1998 Community Health Conference Tobacco Early Bird Session entitled "Lessons Learned From Local Tobacco Prevention and Control Efforts" at the annual statewide meeting of Minnesota county health officials. Sluss holds a Bachelor of Science degree from St. Cloud State University, and will be awarded his Master of Arts in Special Education by St. Cloud State.

## **JEANNE WEIGUM**

### **President, Association for Nonsmokers - Minnesota (ANSR)**

Jeanne Weigum has been a volunteer working on reducing the ill effects of tobacco use since 1975. Weigum was named 1998 Minnesotan of the Year by the *Minnesota Monthly* for her untiring and successful activism to improve public health through tobacco control. Weigum has also spent twenty years in corrections as a mental health professional. She has served as President of the Association for Nonsmokers - Minnesota Board of Directors; founding director, North Suburban Tobacco Task Compliance Project; director of the American Lung Association of Minnesota and Minnesota Coalition for a Smoke-Free Society 2000; member of the Technical Advisory Committee on Nonsmoking and Health for the Minnesota Department of Health; and has served on various committees for the Hennepin County Department of Health, the American Lung Associations of Minnesota and Hennepin County, and the Minnesota Department of Health. Weigum is founder of the Fire Safe Cigarette Committee and the Ad-hoc Committee on Smoke-Free Day Care and has been a tireless volunteer lobbyist on various tobacco issues before local units of government and the Minnesota legislature. Weigum is in demand as a speaker, having presented, for example, at the 5th and 6th World Conference on Smoking and Health; Tobacco Use Prevention Summer Institute, 1995-1997; Tobacco Prevention: The Next Generation, 1995; Communities for Tobacco-Free Kids: Drawing the Line 1996; and Reducing Youth Access to Tobacco (several presentation sites statewide) ASSIST meetings. Weigum's areas of expertise include: youth access to tobacco, tobacco restrictions in the work site, smoke-free housing, clean indoor air restrictions, community organizing, public policy approaches to tobacco control, tobacco industry tactics, history of tobacco control in Minnesota, grass roots community action, fire-safe cigarettes, media advocacy, and small nonprofit management. Weigum holds a BA from Bethel College and earned her Masters of Social Work at the University of Minnesota.

**BENSON ("BEN") K. WHITNEY**  
**Director, Whitney Foundation**

Mr. Whitney has been the managing general partner of the Gideon Hixon Fund, Minneapolis, Minnesota since 1990. In his role with the Gideon Hixon Fund, Mr. Whitney is the manager and sole investment officer for a \$20 million private venture capital partnership specializing in early stage information service and health care service companies. Since 1992, Mr. Whitney also has been a member of the Advisory Committee of PSF Healthcare, a venture capital fund specializing in health care services and medical products. In his previous legal career with the Minneapolis law firm of Popham, Haik, Schnobrich & Kaufman, Mr. Whitney represented clients in the areas of health care, cable television and other regulated industries. In addition to Mr. Whitney's involvement with the health care industry, Mr. Whitney has been a Director of the Whitney Foundation since 1988. The Foundation is involved extensively with programs designed to reduce and combat substance abuse. Mr. Whitney himself is a recovering cigarette smoker, having fought his addiction for almost two years through Smokers Anonymous and the Hazelden Foundation before quitting completely. Mr. Whitney received his BA in Urban History, Magna Cum Laude, from Vassar College in 1982. In 1987, Mr. Whitney received his JD, Magna Cum Laude and Order of the Coif, from the University of Minnesota Law School.



**LAURA WATERMAN WITTSTOCK**  
**President, MIGIZI Communications**

Laura Waterman Wittstock, a member of the Seneca Nation, is President of MIGIZI Communications, a Minnesota nonprofit serving the American Indian community locally and nationally through communications-based education. Her columns appear in the Minneapolis Star-Tribune and numerous community newspapers. She serves on the boards of the Minneapolis Foundation, Abbott Northwestern Hospital, Twin Cities Public Television and American Indian Business Development Corporation, and chairs the Communities of Color Institute in Minneapolis and Independent Television Service in San Francisco. In 1992, Wittstock received the Minnesota Advocates for Human Rights Award for twenty years of work in alternative media coverage of American Indians and free expression. As a member of the Minnesota Smoke-Free Society 2000 Coalition, Wittstock helped recommend legislative changes to limit the use of tobacco by minors. Her proposal for limiting smoking sections in restaurants to those over 18 years of age has not been adopted, but she has campaigned for its inclusion after seeing infants in smoking sections of restaurants forced to inhale not only their parents' smoke, but that of others in the area. Wittstock is currently a member of the Minnesota Minority Health Advisory Committee to the Minnesota Department of Health, and of the Minnesota Health Improvement Partnership Tobacco Work Group, which is advising the Commissioner of Health on tobacco issues. Her children's book, *Ininatig's Gift of Sugar: Traditional Native Sugarmaking*, was published in 1993 and nominated for a Minnesota Book Award. Her second book, *Changing Communities, Changing Foundations: The Story of the Diversity Efforts of Twenty Community Foundations*, is in publication.



**JULIE WOODRUFF****Minnesota ASSIST, Scott County Coordinator**

Julie Woodruff has been the Scott County Coordinator for Minnesota ASSIST since 1994. In that role, she has been instrumental in mobilizing community members, health organizations, educators and law enforcement officials to successfully advocate for the adoption of strong tobacco ordinances. The majority of these ordinances contain provisions that surpass the minimum standard set by the 1997 Minnesota Youth Access Law. This fall, Julie will be collaborating with the Scott County Attorney's Office to facilitate diversion classes for Scott County youth who have been charged with using, possessing or purchasing tobacco products. In addition, Julie will be a panelist for two workshops at the Fourth Annual Conference on Tobacco and Health in St. Paul and a co-presenter for an Allina symposium at the 1998 Annual Meeting of the American Public Health Association in Washington D.C. Julie has been Co-Chair of the Minnesota ASSIST Coordinating and Advisory Committee and a member of the ASSIST Executive Committee since December 1994. She is also Unit Tobacco Control Leader on the Scott County Board of the American Cancer Society, the Scott County Coordinator for Tobacco-Free Communities for Children, and a consultant for the University of Minnesota Research Team for Tobacco-Free Future. Julie is also a charter member of the Healthy Communities Coalition of Scott County. Her background includes 14 years as both a practicing nurse and as a teacher of nurses. As Clinical Nurse Specialist at the Mayo Medical Center in Rochester, Julie was a member of the Mayo Center for Nursing Research Committee and the Smoke-Free Task Force for the Mayo Department of Psychiatry. Woodruff holds a Masters of Science in Nursing from the University of Wisconsin.

## ***A Vision for the Future:***

## **REDUCING AND PREVENTING TOBACCO USE IN MINNESOTA**

*These Minnesota organizations have pledged to support the terms of the landmark tobacco settlement that the Legislature appropriate \$650 million to diminish the human and economic consequences of tobacco use. A long-term prevention fund will be used for public education, community and school initiatives, counter-marketing, and evaluation.*

### **GOVERNMENT, COMMUNITY, BUSINESS, AND RELIGIOUS**

American Cancer Society, Minnesota Division  
American Cancer Society, West Ottertail County Unit  
American Cancer Society, West Polk County Unit  
American Heart Association, Minnesota Affiliate  
American Lung Association of Minnesota  
Arrowhead Center, Inc., Virginia  
Ascension Lutheran Church, St. Louis Park  
Asian Media Access  
ASSIST Coalition of Anoka County  
Association for Nonsmokers - Minnesota  
Business and Science Writers, Inc.  
Children Are People Support Groups, Inc.  
Children's Defense Fund  
City of Crookston  
Community Intervention, Inc., Minneapolis  
Community Partnership with Youth and Families, North Branch  
Community Prevention Coalition of Hennepin County  
Crookston Area Chamber of Commerce  
Douglas County Board of Commissioners  
Eden Prairie Police Department  
Edens Group, Inc., St. Paul  
Edina Chemical Awareness  
Faribault Police Department  
Fergus Falls Police Department  
Gloria Mihevo, Inc.  
Grant County Board of Commissioners  
Grant County Child and Youth Collaborative  
Grant County Child and Youth Council Core Planning Committee  
Inner City Youth League, St. Paul  
Lao Family Community of Minnesota, Inc.  
Marshall Advisory Team for Chemical Health  
Marshall Tobacco Coalition  
McLeod County Board of Commissioners  
Mentoring Makes A Difference Program of Polk and Mahnomon Counties  
Minneapolis South and Washburn High Schools Parent Communication Network  
Minnesota Council of Nonprofits  
Minnesota Healthy Roots  
Minnesota Radio Networks  
Minnesota Smoke-Free Coalition  
Minnesota Star of the North Prevention Coalition  
Minnesota Thunder Soccer Club  
North Star Family Resource Center, Minneapolis

Olmsted County Save Our Children From Tobacco Coalition  
Otter Tail County Human Services Board  
Owatonna Area Smoke-Free Coalition  
Owatonna High School Students Helping Others Choose  
Parenting Resource Center, Inc., Austin  
Perham Area Healthy Community - Healthy Youth Project  
Perham Vision to Action Collaborative  
Red River Health Promotion Coalition  
Roseville, Falcon Heights, Lauderdale and Little Canada Mayors' Commission Against Drugs  
Rytway Industries, Inc.  
Sibley County Board of Commissioners  
Stop Teen Tobacco Use Organizing Project, Northeast Minneapolis  
St. Joan of Arc Catholic Church Peace and Justice Committee, Minneapolis  
Storefront/Youth Action, Richfield  
Todd County Board of Commissioners  
Tri-City Partners for Healthy Youth and Communities  
Trinity Lutheran Church, Owatonna  
United Cambodian Association of Minnesota  
Wellness Works, Crookston  
West Central Minnesota Communities Action, Inc.  
Wilkin County Board of Commissioners

### **EDUCATION**

Benilde - St. Margaret's School, St. Louis Park  
Benson Education Association  
Central Junior High School, Crookston  
Crookston High School  
Education Minnesota  
Faribault Public School Board  
Fergus Falls Public Schools  
Highland Elementary School, Crookston  
Kasson-Mantorville Public Schools  
Kenyon-Wanamingo Public School District  
Minneapolis Public Schools  
Minnesota Parent Teacher Association  
Minnetonka Middle School West  
Minnetonka Schools  
North Central Service Cooperative, Staples  
Northfield Public Schools  
Owatonna Public Schools Board of Education  
Park Rapids Area Schools  
Pelican Rapids Public Schools

*over, please*

**EDUCATION, CONTINUED**

Southwest/West Central Service Cooperatives, Marshall  
 St. Anthony-New Brighton Schools #282  
 St. Louis Park Schools  
 University of Minnesota School of Public Health  
 University of Minnesota Tobacco Free Future

**HEALTH CARE**

Alexandria Clinic  
 ALLINA Health System  
 ALLINA River Valley Clinic, Northfield  
 Altru Clinic, Crookston  
 American Academy of Pediatrics, Minnesota Chapter  
 BlueCross and BlueShield of Minnesota  
 Boynton Health Service, University of Minnesota  
 Clean Break Smokers Treatment Program  
 Dental Hygiene Tobacco Issues Focus Group  
 Dental Hygienists' Association  
 District One Hospital, Rice County  
 Douglas County Hospital - Lakeview Chemical  
 Dependency Unit  
 Fairview Health Services  
 Family Tree Clinic, St. Paul  
 Fergus Falls Medical Group, PA  
 Glacial Ridge Hospital, Glenwood  
 Glenmore Recovery Center, Crookston  
 Hazelden Foundation, Center City  
 HealthEast Care System  
 HealthPartners  
 HealthSystem Minnesota  
 Hennepin Medical Foundation  
 Institute for Research and Education of HealthSystem  
 Minnesota  
 Lake Region Healthcare Corporation, Fergus Falls  
 Lakeview Hospital, Stillwater  
 Local Public Health Association  
 Mayo Clinic  
 Mayo Health System, Owatonna Clinic  
 MetroEast Program for Health, St. Paul  
 Minnesota Chiropractic Association  
 Minnesota Dental Association  
 Minnesota Dental Hygienists' Association  
 Minnesota Hospital and Healthcare Partnership  
 Minnesota Institute of Public Health  
 Minnesota Medical Association  
 Minnesota Medical Association Alliance  
 Minnesota Public Health Association  
 Minnesota Society for Respiratory Care  
 Owatonna Hospital  
 Ramsey (County) Medical Society  
 Regional Coordinating Board One, St. Paul  
 Riverview Healthcare Association, Crookston  
 St. Francis Regional Medical Center: Co-sponsored by  
 ALLINA Health System and Benedictine Health  
 System, Shakopee  
 Southeast Minnesota Oral and Maxillofacial Surgery

**Associates**

Twin Ports Youth and Tobacco Coalition, Duluth  
 UCare Minnesota  
 University of Minnesota Cancer Center  
 Veterans Affairs Medical Center, Minneapolis  
 Welner Memorial Medical Center, Marshall

**PUBLIC HEALTH**

Carlton County Public Health Services  
 City of Minneapolis Department of Health  
 Dodge County Public Health  
 Grant County Public Health  
 Hennepin County Community Health Department  
 Itasca County Health and Human Services  
 Koochiching County Department of Health  
 Meeker County Public Health  
 Meeker/McLeod/Sibley Community Health Board  
 Milaca County Public Health  
 Mille Lacs County Public Health  
 Minneapolis Department of Health and Family Support  
 Minnesota Society of Public Health Educators  
 Morrison County Public Health  
 Murray County Chemical Abuse Prevention Team  
 Nicollet County Public Health  
 Olmsted County Public Health  
 Otter Tail County Department of Public Health  
 Polk County Public Health  
 Polk County Nursing Services  
 Renville County Public Health Services  
 Sibley County Public Health  
 Steele County Public Health Nursing Services  
 Stevens Traverse Public Health  
 St. Louis County Public Health  
 St. Paul - Ramsey County Department of Public Health  
 Washington County Department of Public Health and  
 Environment  
 Wadena County Public Health Advisory Committee  
 Wilkin County Public Health

12/2/98



# Minnesota's Tobacco Settlement

## Largest Recovery in Minnesota History

Under the settlement, the tobacco industry will pay the State more than \$6.1 billion over the next 25 years, making this the largest recovery in Minnesota history and the third largest in American history. In its lawsuit, the State had sought damages of \$1.3 billion for the cost of treating smoking-related disease. The settlement is more than four and one-half times the amount sought in damages. The State's attorney's fees will be paid directly by the tobacco companies, on top of the State's recovery.

## The Truth Comes Out

A paramount goal of Minnesota's litigation was to uncover the truth about the tobacco industry's forty-year conspiracy of lies. Through four years of bitter litigation, the State fought its way into the industry's secret documents. Now these hard-won documents will become public, in what former Surgeon General C. Everett Koop has called "one of the most significant public health achievements of the second half of the Twentieth Century." Thirty-three million pages of industry documents will be open to the public, along with the industry's computerized "roadmaps" to the documents. The industry will pay to maintain a public document center in Minnesota.

## First-Ever Ban on Marketing to Kids

Under the settlement, the tobacco companies are specifically prohibited, by court order, from using any marketing techniques that target children. We are unaware of any comparable law or order anywhere. In the past, the only way to stop tobacco companies from targeting children has been to argue that they are engaged in deceptive advertising or violation of other general laws. Now, for the first time, they will be bound by a specific, ironclad order. And the court will have the power to do whatever it takes to ensure compliance.

## Cessation Options for Every Minnesota Smoker

The settlement provides for money to be set aside for a public smoking cessation fund, to be supervised by public health experts. Under the settlement, more than \$100 million will be earmarked for this fund, which will offer a publicly-funded stop-smoking treatment opportunity for every Minnesota smoker who wants to quit. This fund is unprecedented.



## The World's Best Tobacco Control Program

Under the settlement plan, a non-profit foundation, run by a board of directors drawn mainly from prominent public health groups, will develop the world's largest and most comprehensive program to reduce teen smoking and combat the social and economic harm caused by tobacco. Subject to the approval of the legislature, this foundation could receive a permanent endowment of more than \$650 million. An additional \$100 million will be paid by the industry for research to get at the roots of the tobacco epidemic. The interest on this endowment will fund a sustained counter-advertising campaign; classroom education; community partnerships; research; advocacy and innovative prevention programs. This will be the world's best-funded and, we hope, most effective campaign to save future generations from becoming addicted to the world's deadliest consumer product.

## Tobacco Billboards Come Down

Cigarettes are the number one item advertised on billboards in Minnesota. But not for long. Under the settlement, all tobacco billboards come down. Fifty come down within a month, and the remainder will be phased out in less than six months. Tobacco advertising on buses, bus shelters and taxis will also end.

## No More Branded Merchandise

Tobacco companies spend almost \$1 billion annually on T-shirts, hats, gym bags, backpacks, CD players and other merchandise with cigarette logos, making our children "walking billboards" for cigarettes. An amazing one-third of kids from 12 to 17 years old—including nonsmokers—own these items. New research shows that this promotional merchandise may be one of the most powerful influences in encouraging kids to smoke: children who own these items are four times more likely to start smoking than those who don't. More than 78 percent of Americans think this type of advertising should be stopped. Now it will be. Under the settlement, this distribution of branded merchandise and all branded promotional items, down to napkins and matchbooks, will be banned in Minnesota. This is unprecedented.

## No More Secret Payoffs to Movie Producers--Nationwide

Some critics have questioned whether state legal cases can help force nationwide changes in the tobacco industry. This provision does just that. One of the most insidious tobacco marketing techniques has been the secret payment of fees to movie producers to feature cigarettes and smoking in popular films, sometimes in ways that showcase particular brands. The industry claims it discontinued this practice many years ago, but a document uncovered in the Minnesota case shows that Philip Morris provided products for use in movies as recent, and as youth-oriented, as "The Muppet Movie" and "Who Framed Roger Rabbit?" Speculation abounds about whether secret payoffs may have been made to the makers of such recent, smoking-intensive movies as "Titanic" and "My Best Friend's Wedding." Under this settlement, the companies are barred from making such payments, directly or indirectly. In fact, it covers not only movies, but other entertainment media as well, from music videos to computer games to live musical performances and television shows. Notably, this unprecedented provision applies nationwide, demonstrating that state litigation can contribute significantly to national solutions to the tobacco epidemic.

## Tobacco Trade Group Must Disband

In its lawsuit, the State had alleged that the tobacco industry used its so-called "scientific research" arm, the "Council For Tobacco Research" (or CTR) as a tool in its conspiracy to mislead Americans and suppress research and development of safer cigarettes. The State alleged that this "research" effort provided the industry with "cover" by mounting costly and endless research tailored to avoid learning anything about the link between smoking and disease, and designed to perpetuate the myth that endless additional study was needed. Under the settlement, this trade group -- the industry's so-called "scientific" arm, is dissolved and all its health research forwarded to the FDA. The industry is permanently barred from reviving the CTR or anything similar.

## Expanded Lobbying Disclosure

The tobacco industry is notorious for manipulating the political process and wielding its considerable clout through front-groups, highly paid lobbyists and secret surrogates. The settlement imposes new disclosure requirements on the industry, beyond those of Minnesota's lobbying and campaign finance laws, to shine the light of public scrutiny on the industry's efforts to influence Minnesota lawmaking. Among the enhanced disclosures will be requirements that the industry reveal the amounts paid to its lobbyists and to other associations; reveal payments made to third parties to testify in hearings, and so on; and report on the use of controlled foundations to make gifts that benefit Minnesota officials. This is unprecedented.

## Protecting the Integrity of the Legislative Process

The settlement contains provisions that help preserve Minnesota's tobacco laws, and that limit the industry's ability to block future legislation. The industry is specifically prohibited from bringing any legal challenge against Minnesota's existing laws against selling tobacco to minors; the Clean Indoor Air Act; the law against distribution of free tobacco samples; or the new ingredient disclosure law adopted in 1997 and not yet implemented. In addition, the industry is barred from opposing future legislation to reduce tobacco use by children.

## Minnesota Benefits From Achievements in Future Cases

The settlement allows Minnesota to receive the benefit of any health gains, injunctive language, or any other non-monetary terms that may be achieved in any future settlements the industry negotiates with other states. This "most favored nation" clause also guarantees Minnesota's right to take advantage of any attractive public health or reform terms in any national tobacco legislation. In other words, no other state will receive more benefits than Minnesota does.



# **Minnesota's Tobacco Settlement**

## **At A Glance**

### **Largest Monetary Recovery in Minnesota History**

- \$6.6 billion (State plus Blue Cross) over 25 years; State's payments in perpetuity thereafter
- Four and one-half times the \$1.7 billion sought
- Tobacco companies pay the attorneys' fees on top of State's recovery

### **The Truth Comes Out**

- Over 33 million pages of secret industry documents opened to public
- Document "roadmaps"--industry databases--become public
- Industry funds Minnesota Document Depository for public use
- Subject to court approval, more "privilege" documents become public

### **A Ban on Marketing to Kids**

- Permanently bans any marketing that targets children
- First such order ever imposed anywhere
- Enforceable with money penalties, injunctions and fines

### **Cessation Options for Every Minnesota Smoker**

- \$102 million fund
- Subsidized stop-smoking opportunity for every Minnesota smoker who wants to quit
- Unprecedented

### **The World's Best Tobacco Control Program**

- Nonprofit health foundation to develop world's best campaign to reduce tobacco use
- Proposed permanent endowment of over \$850 million, counting \$102 million cessation fund above
- Interest on endowment funds counter-advertising, classroom education, community partnerships, advocacy, research and evaluation in a comprehensive program to reduce impact youth smoking



## Tobacco Billboards Come Down

- All tobacco billboards eliminated within six months
- Transit ads (bus shelters, buses, taxis) eliminated

## No More Branded Merchandise

- Eliminates distribution of "gear"—hats, shirts, backpacks, etc.--with cigarette brands or logos
- One-third of all adolescents own cigarette gear
- Kids who own this merchandise are four times more likely to smoke

## No More Secret Payoffs to Movie Producers - Nationwide

- Unprecedented nationwide ban on secret payments from tobacco industry to movie producers to feature smoking in popular films

## Tobacco Trade Group Must Disband

- The tobacco industry's "scientific research" arm, the "Council For Tobacco Research" (or CTR) permanently disbanded and dissolved
- CTR can no longer function as industry "shield" to keep the smoking and health controversy alive

## Expanded Lobbying Disclosure

- New lobbying disclosures for tobacco companies
- Must reveal exact amounts paid to lobbyists and "front" groups; hidden payments for legislative testimony; payments to third parties that eventually benefit politicians

## Protecting the Integrity of the Legislative Process

- Blocks industry legal attacks on youth smoking laws, Clean Indoor Air, other tobacco laws
- Industry cannot oppose certain new laws to reduce youth tobacco use

## Minnesota Will Benefit From Future Cases

- The settlement allows Minnesota to receive the benefit of any health gains or other non-monetary terms that are achieved in any future settlements with other states.
- In other words, no other state will receive more benefits than Minnesota does.



# Minnesota's Tobacco Settlement

## Kids

- **First-Ever Court Ordered Ban on Marketing to Kids.** Each year, the tobacco industry pours over \$5 billion dollars into advertising. Evidence in Minnesota's tobacco trial detailed how the industry used this money to hook their new and best customers -- children. Tragically, their advertising has worked: of children who smoke, 86% smoke the most heavily advertised brands - Camel, Marlboro, and Newport. Under the Minnesota Tobacco Settlement, tobacco companies are specifically prohibited, by court order, from using any marketing techniques that target children. We are unaware of any comparable law or order anywhere. In the past, the only way to stop tobacco companies from targeting children has been to argue that they have broken Minnesota's consumer fraud and advertising laws. Now, they will be bound by a specific ironclad order. The court will have the power to do whatever it takes to ensure compliance, including the power to impose fines and penalties.
- **First-Ever Ban on Tobacco Industry Branded Promotional Products.** Tobacco companies spend almost \$1 billion annually on T-shirts, hats, gym bags, backpacks, CD players and other merchandise with cigarette logos, making our children "walking billboards" for cigarettes. An amazing thirty-five percent of kids from twelve to seventeen years old -- including nonsmokers -- own at least one of these promotional items. Research shows that children having these items is one of the most powerful influences on smoking behavior: children who own these items are four times more likely to start smoking than those who don't. More than 78 percent of Americans think this type of advertising should be stopped. Now it will be. Under the settlement, the distribution of branded merchandise and all branded promotional items, down to napkins and matchbooks, will be banned in Minnesota within 90 days. This is unprecedented. Violations of this ironclad order can lead to heavy monetary penalties.
- **Ban on all Cigarette Billboards and Transit Ads.** Cigarettes are the number one item advertised on billboards in Minnesota. These advertisements don't flood only our highways. They have also invaded our neighborhoods -- particularly our poorest neighborhoods. Under this settlement, all tobacco billboards come down. Fifty come down within a month and the remainder will be phased out in less than six months. Tobacco advertising on buses, bus shelters, and taxis will also end.
- **No More Product Placement in Movies Anywhere in the U.S.** People said that individual state cases couldn't force industry changes nationwide. But Minnesota's settlement does just that. One of the most insidious tobacco marketing techniques has been the secret payment of fees to movie producers to feature cigarettes and smoking in popular films, sometimes in ways that showcase particular brands. The industry claims it discontinued this practice many

years ago, but a document uncovered in the Minnesota case shows that Philip Morris paid to have cigarettes used in movies as youth-oriented as the "Muppet Movie" and "Who Framed Roger Rabbit?" Speculation abounds about whether secret payoffs may have been made to the makers of recent, smoking-intensive movies as "Titanic" and "My Best Friend's Wedding." Under this settlement, the defendants are barred from making such payments, directly or indirectly. This provision is nationwide, demonstrating that state litigation can contribute significantly to national solutions to the tobacco epidemic.

- **Tobacco Industry Can't Oppose Stronger Laws to Reduce Youth Tobacco Use.** Because the tobacco companies have unrivaled lobbying power at the State Capitol, it is very difficult to pass even the smallest provisions to reduce youth tobacco use. This unprecedented provision bars the industry from opposing, directly or indirectly, legislative proposals and administrative rules to reduce youth tobacco use.
- **Unprecedented Cessation Programs Targeted to Children.** In Minnesota, 60 teens begin smoking each day. Tragically, half of them will eventually die from a habit they develop as children. Eighty percent of those teen smokers want to and have tried to stop smoking. However, only 1.2% succeed. The Minnesota settlement appropriates \$102 million dollars to a cessation fund so that all Minnesota smokers - including teenagers -- have the opportunity for help to quit smoking.
- **The Best Prevention Program: Keeping Kids from Becoming Addicted.** The industry's own documents state that nicotine is harder to quit than alcohol, heroin, or cocaine. When kids start smoking, they think they will be able to stop. To their own and society's consternation, they are hooked before they know it. Seventy-three percent of teen smokers who think they won't be smoking in five years are still smoking five years later. And, almost three-quarters of teen smokers say that given the chance to do things differently, they never would have started to smoke. Prevention measures work to keep kids from ever starting a life of addiction to tobacco. Subject to legislative approval, the Minnesota Tobacco Settlement earmarks more than \$650 million to an endowment that focuses on preventing tobacco use by teens. This effort will include, for example: counter-advertising; community partnerships to reduce tobacco use; tobacco education in schools; enforcement of youth access policies; work site interventions; and other innovative programs to meet prevention goals.



# Minnesota's Tobacco Settlement

## Truth

- **Millions of Pages of Industry Documents Remain Public Forever.** One of the three major goals of Minnesota's litigation was to uncover the truth about the tobacco industry's forty-year conspiracy of lies. During four years of bitter litigation, the State forced the industry to turn over their secret documents on science and health, safer cigarettes, manipulating nicotine, manipulating kids, and manipulating public policy. Pressure brought by Minnesota forced the industry to open the Minnesota Document Depository and start putting the documents on the Internet. With this agreement, health professionals, scientists and members of the general public are assured access to the millions of pages of industry secrets at the Minnesota Depository. These documents will be maintained for at least ten years at the industry's expense, and by the State thereafter.
- **Selected Guildford, England Documents Will Be Sent to Minnesota and the Guildford Depository Will be Maintained for Ten Years.** Millions of pages of documents that BAT Industries PLC and its subsidiary British-American Tobacco Company produced in the Minnesota case are housed in a depository in Guildford, England. BAT Industries and its affiliates (including subsidiary Brown & Williamson), make up the world's second largest tobacco manufacturing business. Under this settlement, copies of the BAT documents selected for use in Minnesota's case will be placed in the Minnesota Document Depository, where, like all the other documents there, they will be public forever. In addition, the Guildford Document Depository will be maintained, at the industry's expense, for ten years.
- **Subject to Court Approval, More "Privileged" Documents Will Be Public.** During the litigation, Minnesota alleged that the tobacco industry misused and abused the attorney-client privilege in an attempt to hide the most incriminating evidence. Time and again, the Judge ruled in the State's favor and ordered documents produced. The industry just lost its battle to keep secret 39,000 of these documents, a battle they fought all the way to the United States Supreme Court. While some of these formerly "privileged" documents are now available on the Internet, under this agreement, the State will seek the approval of the Court to make all of the "privileged" documents produced to the State public.
- **The Industry's Road Maps to All the Documents Now Available to All.** Finally, the public will have the road maps (computerized databases known as the "4A indices") that the tobacco companies made for themselves to navigate through the millions of pages of documents that will be housed in the Minnesota Document Depository. No longer will researchers, reporters and others have to struggle with the cryptic, vague indices that the industry has already made public.



- **All Industry "Formulas" go to the FDA for the First Time.** Prior to this settlement, the tobacco industry has never revealed how much, or in what combinations, they employ any of the almost 700 additives they have publicly admitted may be present in cigarettes. When all cigarette "Secret Formulas" are turned over, the U.S. Food and Drug Administration (FDA), which has major responsibility for regulating product safety, will finally be able to create a complete list of substances present in tobacco products and explore how they react in combination with each other and in the ways they are actually used. The FDA will be able to see, for example, which cigarettes contain substances like ammonia (toilet bowl cleaner), formaldehyde (embalming fluid), and arsenic (rat poison), and act if it finds these or other ingredients pose a health threat.
- **No More Tobacco Industry Agreements to Suppress Research, Limit New Products, or Withhold Information About Tobacco Use Consequences.** One of the main charges in Minnesota's case against the tobacco industry was that beginning in 1954, the industry joined together in a conspiracy to keep smoking and health research, and information about the health hazards of their products, from ever seeing the light of day. The State also alleged that the companies conspired to see that discoveries they had made about how to make safer cigarettes were never revealed or put into practice. Under this settlement, these industry practices must stop or tobacco companies will face contempt of court charges, including monetary penalties.
- **No More Lying about Health Issues.** When the CEOs of the major tobacco companies told Congress in 1994 that nicotine was not addictive, people were incredulous. When they said it again in 1998, after documents presented in the Minnesota trial showed that the companies had known for 30 years how nicotine addiction works and had manipulated the levels and potency of nicotine to keep smokers hooked, people were outraged. The tobacco industry has also publicly stated for decades that their products do not cause lung cancer, emphysema, heart disease or other health problems. Under this settlement, the tobacco companies are prohibited from making any material misrepresentation of fact about the health consequences of using any tobacco product. This means they cannot say, for example, that nicotine has not been proven to be addictive, or that smoking has not been proven to cause disease.



# Minnesota's Tobacco Settlement

## Reform

- **First-Ever Court Ordered Ban on Marketing to Kids.** Each year, the tobacco industry pours over \$5 billion dollars into advertising. Evidence in Minnesota's tobacco trial detailed how the industry used this money to hook their new and best customers — children. Tragically, their advertising has worked: of children who smoke, 86% smoke the most heavily advertised brands - Camel, Marlboro, and Newport. Under the Minnesota Tobacco Settlement, tobacco companies are specifically prohibited, by court order, from using any marketing techniques that target children. We are unaware of any comparable law or order anywhere. In the past, the only way to stop tobacco companies from targeting children has been to argue that they have broken Minnesota's consumer fraud and advertising laws. Now, they will be bound by a specific ironclad order. The court will have the power to do whatever it takes to ensure compliance, including the power to impose fines and penalties.
- **Unprecedented Court Ordered Ban Against Misrepresenting Health Hazards of Tobacco Use.** The tobacco companies insist to this day that nicotine is not addictive. Yet documents presented in the Minnesota trial showed that the companies had known for 30 years how nicotine addiction works and had manipulated the levels and potency of nicotine to keep smokers hooked. The tobacco industry has also publicly stated for decades that their products do not cause lung cancer, emphysema, heart disease, or other health problems. Under this settlement, the tobacco companies are prohibited from making any material misrepresentation of fact about the health consequences of smoking. This means they cannot say, for example, that nicotine has not been proven to be addictive, or that smoking has not been proven to be addictive, or that smoking has not been proved to call disease.
- **Unprecedented Court Ordered Ban Against Further Conspiracy to Suppress Health Information.** One of the main charges in Minnesota's case against tobacco industry was that beginning in 1954, the industry joined together in a conspiracy to keep smoking and health research, and information about the health hazards of their products, from ever seeing the light of day. The State also alleged that the companies conspired to see that discoveries they had made about how to make safer cigarettes were never revealed or put into practice. Under this settlement, these industry practices must stop or the industry will face contempt of court charges, including monetary penalties.

- **Dissolve the Council for Tobacco Research (CTR) – the Industry’s “Health” Propaganda Machine.** In our lawsuit, the State alleged that the tobacco industry used its so-called “scientific arm,” the CTR, as a tool in its conspiracy to mislead Americans about the health problems with tobacco and to suppress research and development of safer cigarettes. The state alleged that the CTR provided the industry with “cover” by mounting endless research designed to perpetuate the myth that the link between smoking and disease was still unproved. Under the settlement, this trade group is dissolved. The industry is permanently barred from reviving the CTR or anything similar. The CTR must forward all of its research on smoking and health to the Food and Drug Administration, which has asserted regulatory control over tobacco. Because the CTR is a defendant in numerous state lawsuits against the tobacco industry, a shell will continue to exist solely to represent the CTR in other trials.
- **Protecting the Integrity of the Legislative Process.** The settlement contains a provision that keeps the industry from attacking Minnesota’s current tobacco laws. The industry is specifically prohibited from challenging the validity of Minnesota’s existing laws including; the youth access to tobacco law; the Clean Indoor Air Act; the law against distribution of free tobacco samples; and a soon-to-be implemented tobacco product ingredient disclosure law adopted in 1997.
- **Tobacco Industry Can’t Oppose Stronger Laws to Reduce Youth Tobacco Use.** Because the tobacco companies have unrivaled lobbying power at the State Capitol, it is very difficult to pass even the smallest provisions to reduce youth tobacco use. This unprecedented provision bars the industry from opposing, directly or indirectly, specified legislative proposals to reduce youth tobacco use.
- **Unprecedented New Lobbying and Public Policy Disclosure.** The tobacco industry is notorious for manipulating the political process and wielding its considerable clout through front-groups, highly paid lobbyists and secret surrogates. The settlement imposes new disclosure requirements on the industry, beyond those of Minnesota’s lobbying laws, to shine the light of public scrutiny on the industry’s efforts to influence Minnesota law making. This provision forces the industry to file quarterly reports; reveal the amounts paid to its lobbyists and to other organizations that lobby; reveal payments made to third parties who testify in hearings; and report on the use of industry controlled or funded foundations, non-profits, firms, or other affiliates that make gifts that benefit Minnesota officials.





# Minnesota's Tobacco Settlement

## Health

- **Smoking Cessation For Every Smoker.** About 750,000 Minnesotans smoke - even though 50,000 of them are under 18. Even teen smokers want to quit--of every 100 teen smokers, 80 have tried to stop, and yet, in any given year, only 1 out of 100 succeed. The vast majority of adult smokers also want to stop smoking, but because nicotine is more addictive than heroin or cocaine, many people relapse. Treatment of tobacco dependence is the most cost-effective clinical preventive service in all of health care. Under the settlement, \$102 million, to be paid in January 1999, will be set aside for a smoking cessation fund to make at least one state-funded opportunity for smoking cessation treatment available to every Minnesota smoker who wants to quit.
- **A Permanent Endowment for Tobacco Prevention and Control.** As recommended by the Koop-Kessler Advisory Committee on Tobacco Policy and Public Health, the settlement calls for the creation of an endowed foundation that will develop the world's largest and most comprehensive tobacco prevention and control program. Run by a board drawn mainly from scientific and public health organizations, its purpose will be to reduce teen smoking and combat the social and economic harms caused by tobacco. Subject to the approval of the legislature, over a six-year period this foundation will receive more than \$650 million to be used to finance a large and sustained counter-advertising campaign, community partnerships to reduce tobacco use, tobacco education in schools, enforcement of youth access policies, worksite interventions, innovative prevention programs, and any other efforts deemed appropriate to meet the goal. This foundation offers the best hope for saving future generations from becoming addicted to the world's deadliest consumer product.
- **\$100 Million for Research to Get at the Roots of the Tobacco Epidemic.** Each year for the next ten years, the tobacco industry will pay \$10 million into an account to fund research to learn why kids start smoking and how best to target prevention strategies, how to help kids and adults stay off this highly addictive and harmful substance, and how to end the tobacco epidemic.
- **No More Tobacco Industry Agreements to Suppress Research, Limit New Products, or Withhold Information About Tobacco Use Consequences.** One of the main charges in Minnesota's case against the tobacco industry was that, beginning in 1954, the industry joined together in a conspiracy to keep smoking and health

research, and information about the health hazards of their products, from ever seeing the light of day. The State also alleged that the companies conspired to see that discoveries they had made about how to make safer cigarettes were never revealed or put into practice. Under this settlement, these industry practices must stop or tobacco companies will face contempt of court charges, including monetary penalties, injunctions or fines.

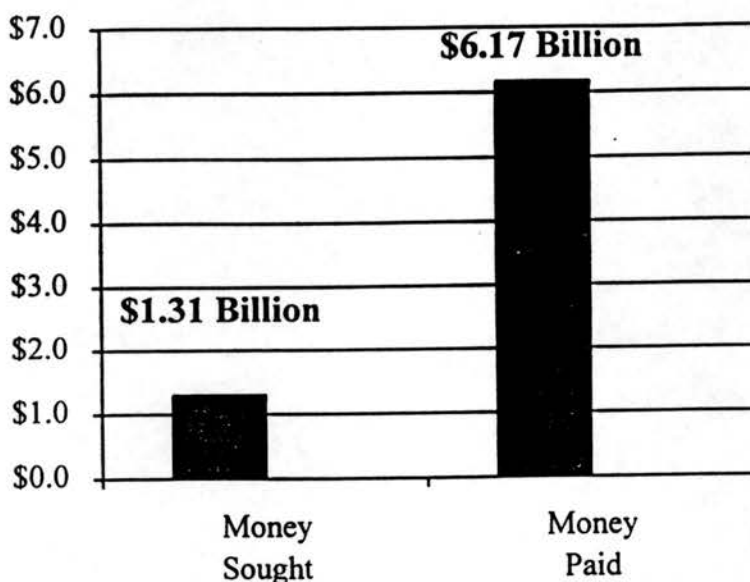
- **No More Lying about Health Issues.** To this day, tobacco companies claim nicotine is not addictive. Documents presented in the Minnesota trial showed that they have known for 30 years how nicotine addiction works, and have manipulated the levels and potency of nicotine to keep smokers hooked. People were outraged. The tobacco industry has also publicly stated for decades that their products do not cause lung cancer, emphysema, heart disease or other health problems. Under this settlement, the tobacco companies are prohibited from making any material misrepresentation of fact about the health consequences of using any tobacco product. This means they cannot say, for example, that nicotine has not been proven to be addictive, or that smoking has not been proven to cause disease.



# Minnesota's Tobacco Settlement

## Money

Money Sought by the State vs. Money Paid



### How Does Minnesota's Settlement Compare with Settlements in Other States?

Minnesota's settlement recovers:

- Nearly 2 times the amount paid to settle in Texas per state resident in today's dollars
- Nearly twice the amount paid in Florida per state resident in today's dollars
- Over 20 percent more than Mississippi's settlement per state resident in today's dollars<sup>1</sup>

<sup>1</sup> Dollars are calculated in today's dollars (or present value) -- the value in today's dollars of the payments to be received over the next 25 years. These numbers are calculated at a 6.5% discount rate.

## **\$6.17 Billion Dollar Payment Schedule<sup>2</sup>**

|                               |                  |
|-------------------------------|------------------|
| June 1998                     | \$10 Million     |
| September 1998                | \$240 Million    |
| December 1998                 | \$102 Million    |
| January 1999                  | \$220.8 Million  |
| June 1999                     | \$10 Million     |
| December 1999                 | \$114.75 Million |
| January 2000                  | \$242.5 Million  |
| June 2000                     | \$10 Million     |
| December 2000                 | \$127.5 Million  |
| January 2001                  | \$242.5 Million  |
| June 2001                     | \$10 Million     |
| December 2001                 | \$165.75 Million |
| January 2002                  | \$242.5 Million  |
| June 2002                     | \$10 Million     |
| December 2002                 | \$165.75 Million |
| January 2003                  | \$121.5 Million  |
| Every June from 2003-2007     | \$10 Million     |
| Every December from 2003-2023 | \$204 Million    |
| Every December Thereafter     | \$204 Million    |

<sup>2</sup> Payments made after January of 1999 (with the exception of the \$10 million payments each January) will be raised 3% or by the national Consumer Price Index (CPI) for the previous year -- whichever is greater, and will be adjusted downward if profits go down due to falling sales.

## **Minnesota's Landmark Tobacco Litigation**

**State of Minnesota By Humphrey and Blue Cross Blue Shield of Minnesota**

**vs.**

**Philip Morris, Inc., R.J. Reynolds Tobacco Company, Brown & Williamson Tobacco Corporation, B.A.T. Industries PLC, British-American Tobacco Company Ltd., BAT (UK & EXPORT) Ltd., Lorillard Tobacco Company, The American Tobacco Company, Liggett Group, Inc., The Council for Tobacco Research -USA, Inc. and the Tobacco Institute, Inc.**

**Ramsey County District Court**

**Court File No. C1-94-8565**

### **Selected Case Chronology: August, 1994-May, 1998**

- |                            |   |
|----------------------------|---|
| <b><u>August, 1994</u></b> | Minnesota becomes the first state in the nation to sue tobacco companies for consumer and antitrust law violations. Minnesota is also the first and only state in the nation to sue in conjunction with a private, non-profit co-plaintiff, Blue Cross Blue Shield of Minnesota   |
| November, 1994             | The tobacco industry's motion to remove or disqualify the law firm of Robins, Kaplan, Miller & Ciresi from representing the State is denied. The District Court cites the long history in Minnesota of Special Attorney Appointments  |
| <b><u>May, 1995</u></b>    | The Court upholds the antitrust and special duty tort claims alleged by the State and Blue Cross  |
| June, 1995                 | The Minnesota Document Depository is created in Minneapolis   |
| August, 1995               | The Court adopts the Complex Litigation Automated Docket or CLAD system for electronic filing of documents. Over 2,600 filings have been entered on CLAD, including over 200 District Court orders  |
| March, 1996                | The smallest tobacco company defendant, the Liggett Group, agrees to a settlement with Mississippi, Maine, Florida, West Virginia and Louisiana. Minnesota is the only litigating state to refuse settlement with Liggett. Attorney General Humphrey cites Liggett's lack of full cooperation with the states as the reason Minnesota refuses to join in the settlement |
| <b><u>May, 1996</u></b>    | The United States Supreme Court rejects the industry's efforts to obtain review of orders requiring production of 4A document indices (roadmaps created by the industry for its documents). This is the first of two unsuccessful industry appeals to the United States Supreme Court   |
| July, 1996                 | The Minnesota Supreme Court rules Blue Cross has standing to join the State   |

of Minnesota in bringing consumer, antitrust and equitable claims against the tobacco industry

**March, 1997**

The Liggett Group agrees with the conditions Minnesota Attorney General Humphrey demanded when Liggett's initial settlement was rejected by Minnesota and reaches a settlement with a larger group of Attorneys General, including Minnesota

May, 1997

At the request of the State and Blue Cross, the District Court orders American Tobacco and Brown & Williamson to produce documents and provide complete answers on smoking and health research (CLAD 933)

**May, 1997**

The District Court finds the crime-fraud exception to the attorney-client privilege applies to the tobacco industry's claims of privilege. The Court orders review of the documents by a Special Master (CLAD 943 & 944)

July, 1977

The Special Master conducts three days of hearings on the joint defense claims made by the tobacco industry over approximately 2,400 Liggett documents

August, 1997

The District Court unseals its May, 1997 crime-fraud Findings of Fact in response to a motion by the media (CLAD 1275)

September, 1997

Tobacco manufacturers are required to produce lists which identify on a brand-by-brand and year-by-year basis, the ingredients, chemical formulae and processes for cigarettes sold in Minnesota. The Court orders Philip Morris to produce information about documents in overseas research facilities (CLAD 1300)

October, 1997

The Special Master conducts four days of hearings on the industry's privilege claims over thousands of documents

**November, 1997**

The Court finds Philip Morris, R.J. Reynolds, Brown & Williamson, BAT Industries, British-American Tobacco Co., Lorillard Tobacco Co. and the American Tobacco Co., along with five of the national law firms representing these companies, willfully disregarded an order to produce joint defense agreements during the privilege hearings (CLAD 1720)

**December, 1997**

The District Court adopts the Special Master's recommendation and orders that more than 800 Liggett documents be produced to the State and Blue Cross. The Commerce Committee of the U.S. House of Representatives subpoenas the Liggett documents from four of the tobacco companies and posts the documents on the world wide web

**December, 1997**

The District Court issues an order imposing sanctions on American Tobacco and Brown & Williamson Tobacco for their willful disregard of the Court's



orders. The order requires an immediate payment of \$100,000 to the Ramsey County District Court and the production of 1,114 American Tobacco documents pertaining to scientific research

**January, 1998**

Trial commences in the federal courthouse in St. Paul

February, 1998

The Special Master recommends disclosure of approximately 39,000 documents pertaining to scientific research, the addictiveness and manipulation of nicotine, and public statements by the industry on tobacco and health issues (CLAD 2224)

**March, 1998**

The District Court adopts the Special Master's recommendations, ordering release of the 39,000 documents to the State and Blue Cross. (CLAD 2345, 2348) The Court of Appeals and the Minnesota Supreme Court deny the industry's requests for further review

March, 1998

The tobacco industry moves for a mistrial and recusal of Judge Fitzpatrick; the motion is denied (CLAD 2398)

**March, 1998**

The Court imposes sanctions on BAT Industries and BATCo/BATUKE after two BATCo scientific researchers, Alan Heard and Dr. Ray Thornton, fail to appear for depositions as ordered. Sanctions include production of over 2,000 more secret industry documents (CLAD 2429)

March, 1998

The District Court orders public access to the Minnesota Depository. (CLAD 2457). The State and Blue Cross maintain that still more information should be public

**April, 1998**

The United States Supreme Court denies the industry's request for a stay of the orders requiring production of 39,000 formerly "privileged" documents. The Commerce Committee of the U.S. House of Representatives posts many of 39,000 documents on its website

April, 1998

Chief District Judge Cohen denies the tobacco industry's request for reconsideration/removal of Judge Fitzpatrick. Judge Cohen finds Judge Fitzpatrick has been fair; that his rulings have been based on the evidence; and that there is no basis for a mistrial in the middle of the case (CLAD 2555)

May, 1998

The District Court orders production of 458 additional "privileged" documents on nicotine and addiction. (CLAD 2625)

**May, 1998**

Testimony concludes after 15 weeks of evidence, including thousands of exhibits and 40 witnesses



To: Steve Bosacker  
Tim Penny

From: Mike O'Keefe *with*

Re: Critical Issues in Need of Attention by the New Governor

Date: November 19, 1998

I know you are getting advice by the barrelful from all corners of the state. There are several areas in which we at McKnight are deeply involved. I feel that my perspective on these would be useful as you, Governor-elect Ventura and his transition team develop the administration plan. I offer them in that spirit.

### Overview

There are many areas that will occupy the new governor's attention. The following should be among the most critical:

**Welfare Reform.** The state needs to focus on two objectives with respect to welfare reform: 1) ensure that it works and 2) restructure state government so that state actions support and help rather than hinder efforts at the local level. McKnight has provided a substantial amount of leadership in Minnesota's welfare reform. In the next section of this memo I describe both what we have been doing and why these two tasks are critical.

**Economic Development.** The new administration needs to develop and implement concrete strategies to ensure that Minnesota is economically healthy in the long-term future. Again, we are involved with a number of economic development efforts affecting Minnesota communities. The rationale for this recommendation is given in the third section of this memorandum.

**The Coming Farm Crisis.** As a state, we need to understand how the world agricultural markets and federal policy changes will affect the lives and communities of people in rural Minnesota. We must develop appropriate and realistic strategies to deal with those impacts. Amidst the strongest overall economy in many years, there is a quiet crisis lurking in farm communities across the state because of low prices and vanishing federal support. It will probably get worse, changing forever the character of our rural communities. I have no specific suggestions other than that this needs to get on your agenda. I also note that an effective look at economic development in the state, as suggested above, will perforce deal with a part of this issue (but only part).

**School Reform-** The effectiveness of our educational institutions, particularly our elementary schools, remains a critical issue and is only going to get more so as the demographics of the state change. It is sobering that we have been working at reform

of schools for more than two decades and the results have been only modestly encouraging, mostly discouraging. This is a tough, tough challenge; extremely well informed and thoughtful work will be required to identify an effective direction for policy. I have done a lot of work in this area but have not included any further thoughts about where we are and where we go (this memo is long enough). I can share my analysis of this issue if you would like.

In the following pages I present my perspective on both welfare reform and economic development along with suggestions for the next steps that I believe should be taken in each.

### **Welfare Reform and the Restructuring of Human Services in Minnesota**

**Background.** We are in the midst of an historic change in how society deals with people in poverty.

- The goal has shifted from providing long-term public support for poor families to incentives that help people get and keep jobs. Payments are reduced and eventually cut off for those who do not do so. This shift—from dependency to job incentives—requires a huge change in role for:

welfare workers: from filling out forms and qualifying families for a welfare check to serving as employment counselor;

educators: who now have a critical, and much more time-limited, role to play in preparing welfare recipients for the work-place; and

employers: who are now expected to take on, train, and keep workers, who may bring many short-comings to the workplace.

- The federal government has set goals for states for the number of welfare recipients who must be moved into jobs over a set period of time.
- For individuals and for states, if those goals are not met, subsidies are reduced and eventually cut off.
- The responsibility to make all this work has been pushed to the local level with a corresponding change in the role of states.

McKnight has been deeply involved in shaping welfare reform in Minnesota. We have committed \$20 million to helping counties across the state make welfare reform work. We made this support available within a framework that represents our best judgment on how the effort must be structured if it is to be successful. Our support has been in three areas:

- Support for partnerships at the county and multi-county level. We asked communities to bring together county welfare workers, employer representatives, educators, and community organizations such as churches and other non-profits to identify needs and plan how each sector could contribute to make reform work. We also challenged counties to work together, given that employment markets pay no attention to county boundaries. The result has been grants totaling \$16 million to 22 partnerships around the state, covering 86 of the 87 counties, to help implement welfare reform.
- Education, technical assistance, and networking. We are supporting activities that strengthen the partnerships, including workshops and conferences, a newsletter, and a website for sharing experiences and for seeking help from experts across the country.
- Statewide efforts. Working with the Department of Human Services, we are also providing funds to expand daycare capacity, to address transportation needs, and to evaluate welfare reform across the state.

**What is Needed.** The state needs to focus on two objectives with respect to welfare reform: 1) ensure that it works and 2) restructure state government so that state actions support rather than hinder efforts at the local level.

**1. Ensuring that welfare reform in Minnesota is successful.** Welfare reform is a breathtakingly broad social experiment. The Congress has declared a new objective: get people into the workplace as fast as possible and keep them there. It then passed the money on to the states with the expectation that the states and counties will figure out how to achieve this ambitious goal. The state has to make it work and will need to monitor, evaluate, provide technical assistance and identify problem areas where either strategies or support is falling short. Potential problem areas include:

- **Child Care.** The legislature has provided substantial resources to expand child care to allow welfare mothers to take training and get back into the labor force. One problem is whether the system can expand quickly enough to accommodate the increasing need; another is to figure out how to maintain acceptable, quality child care given the rapid expansion coupled with the low salaries in that field.
- **Transportation.** Getting the kids to day care and getting yourself to training or the new job is a huge challenge for welfare families, particularly in rural areas where distances are great and public transportation is non-existent. The money allocated to deal with transportation is insufficient and far short of what is needed; this could be the Achilles heel of welfare reform in Minnesota unless we deal with it.
- **Training.** Minnesota allows six months for training and the job hunt. This may not be enough for poorly qualified welfare recipients; in fact, many of the higher-paying jobs require years of schooling and apprenticeships. We need to figure out how to support more than minimal training for at least some people.

- **Support on the Job.** Evidence suggests that people who are deficient in basic workplace skills, the "soft skills," need mentoring on the job. Employers, for the most part, can't or don't want to provide such support.

**2. Restructuring State Government to Support County Programs.** Welfare reform has decentralized authority and responsibility to the county and, as being implemented in Minnesota, the multi-county level. Decentralization and the fact that to work it must engage a partnership among social service workers, employers, educators and non-profits suggest substantial changes in how state agencies must act:

- The state role must shift from top-down program design to becoming a supportive environment, providing training, technical assistance, research and evaluation that will help local partnerships make welfare reform work.
- Relevant state departments, agencies and institutions (such as the Departments of Human Services, Economic Security, Health, Housing Finance, Labor and Industry, Children, Families, and Learning, and MNSCU) must work together to support their respective constituents in local communities in their contributions to welfare reform.
- Decisions will have to be made how the current array of state programs, given the new environment created in part by welfare reform, should be consolidated to improve efficiency and increase their effectiveness at supporting the counties.

**Next Steps for the Governor-Elect.** Some work on these objectives has been done, with task forces working together across departments to deal with welfare reform. That work needs to be reviewed and strengthened, with more aggressive restructuring goals in mind. The outside world also needs to be brought into the discussion, building relationships with employers and non-profits as well as county representatives. The importance of this effort suggests that the Governor-elect should create a highly-visible task force to which he assigns the above tasks, charging it to consult widely with involved parties and formulate their findings as soon as possible.

### **Economic Development**

**Background.** McKnight has dealt with economic development from several perspectives. Over the past 12 years the Foundation has more than \$150 Million into the Minnesota Initiative Funds, about half of which has been directed toward economic development in Greater Minnesota. We also worked closely with the Carlson administration to create an urban loan fund to support minority business enterprises. We joined with the Blandin Foundation, working with the Housing Finance Administration to develop the Greater Minnesota Housing Fund, one of the major purposes of which was to meet housing needs that have been restricting economic development in many parts of the state.

**What is Needed.** The new administration needs to develop and implement concrete strategies that will ensure Minnesota is economically healthy long-term.

The observations are commonplace that we are in a global economy and that Minnesota has both significant advantages and disadvantages in that environment. We need to think and act smart if we are to ensure that 20 or 25 years from now we remain as economically sound as we are today. Briefly, what we have today:

- A Blueprint for Economic Development, developed by Peter Gillette when he was commissioner of DTED under Governor Carlson.
- A large number of entities, public and private, that play some role in economic development ranging from DTED itself, to Minnesota Technology Inc; the Agricultural Utilization and Research Institute; the IRRRB; various programs of the University and MNSCU; SOTATECH; the Initiative Funds; etc.

The Blueprint is a good but general statement of economic principles and objectives for the state. With all the organizations, the state has a good number of tools and a substantial investment in the activities that need to go into economic development. What we don't have to the extent we need them are:

- Concrete and focused strategies by which we will achieve the objectives set forth in the Blueprint;
- A few tightly chosen priorities among the many, many possibilities that economic development plans offer; or
- Clear relationships among the many players in the economic development game to ensure that all are pulling together, avoiding duplication, and not leaving important gaps.

**Next Steps for the Governor-Elect.** The following is needed:

- An initiative to draw together all the elements of economic development (technology transfer, capital availability, education and training, tax policy, housing, etc.) and, with those in hand, to develop focused strategies that will ensure continuing strong development.
- A restructuring of state government to ensure that the various programs work together and are jointly accountable to the new governor for moving the high-priority strategies forward.

There are, of course, a number of possible ways to go about this. A task force that brings together the relevant state agencies, the University, MNSCU, and others is one possibility. This could be a transition activity or could be led by an appropriate commissioner (of DTED) if undertaken after appointments are made. Any effort should reach out and call on outside resource people to help recommend to the Governor-elect and the legislature where priorities should be placed, how agencies should work together, and how the executive departments might be more effectively configured to gain efficiencies and achieve the objectives.



## **Judicial Appointments**

*alternates with gov.*

### **I. APPOINTMENT PROCESS/CHRONOLOGY**

- A. Judge resigns, retires, dies, takes disability retirement**
- B. Supreme Court certifies vacancy**
- C. Governor announces vacancy**
- D. Applications received**
- E. Commission recruits and screens candidates  
(9 statewide members + 4 members from the judicial district)**
  - 1. Screen applications**
  - 2. 10 – 12 candidates interviewed**
  - 3. Recommends 3 – 5 finalists to Governor**
- F. Staff conducts background checks on finalists**
- G. Governor interviews finalists and makes choice**
- H. Announcement**

## **II. APPOINTMENTS PHILOSOPHY**

**A. Merit/experience**

**B. Temperament**

**C. Integrity and fairness**

**D. Work ethic**

**E. Community service**

**F. Judicial philosophy**

**1. Questions not asked – positions on issues, political party affiliation**

**G. Diversity**

**H. Leadership/reform**

## **III. APPOINTMENTS TO OTHER COURTS**

**A. Supreme Court, Court of Appeals**

**B. Tax Court, Workers' Compensation Court of Appeals,  
Chief Administrative Law Judge**

#### **IV. ACTION PLAN**

##### **A. Commission chair**

##### **B. Commission members**

- 1. 6 more statewide – at least 2 must be non-lawyers**
- 2. 2 from each of 10 judicial districts – at least 1 must be non-lawyer**
- 3. Diversity – race, gender, practice**
- 4. Keep some current Commission members?**

##### **C. Staff person for judicial appointments**

**ADVISORY COMMITTEE  
OFFICE OF THE GOVERNOR-ELECT**

**THIRD MEETING  
DECEMBER 8, 1998**

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**MINUTES**

Chair Dean Barkley called the third meeting of the Advisory Committee to order on Wednesday, December 8, 1998 at 10:00 a.m. in room B-5 of the State Capitol.

Members present:

Dean Barkley, Chair  
Peter Bell  
Joanne Benson  
Reatha Clark King  
Richard Lamm (via phone)  
Tim Penny  
Emily Anne Staples Tuttle  
Rep. Charlie Weaver

Governor-Elect Ventura greeted Advisory Committee members and initiated the discussion on government reform. He offered three suggestions:

1. Address the "budget dumping" that occurs when departments spend to avoid future budget cuts
2. Reverse the current culture of rewarding bad behavior and punishing good behavior (i.e., "budget dumping")
3. Stream-line government to eliminate duplication of services

Advisory Committee members offered several ideas in response to the Governor-Elect's suggestions:

Adopt the "Best Practices" concept from the private sector (make "budget" a household word)

Give departments and their employees the ability to develop more efficient ways of meeting department goals

Establish a process for implementing good ideas

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Create a process for removing obsolete practices, programs, and laws

Know the baseline (how Minnesota compares to other states in terms of number of departments/agencies, number of state employees, etc.)

Thank state employees for their service and also hold them more accountable for their job performance

Review the civil service laws and attempt to make changes that will help commissioners and administrators to run more efficient and accountable departments (government has limited authority over civil service so this will be a difficult change to make)

Encourage department and agency heads to take the employee evaluation process seriously

Members also offered several suggestions within specific state departments.

**CAMPAIGN FINANCE & PUBLIC DISCLOSURE BOARD (FORMER ETHICAL PRACTICES BOARD)**

Recodify Ethics in Government provisions (Ch. 10A) to simplify the law

Remove provisions that result in criminalization of the political process

**DEPARTMENT OF CHILDREN, FAMILIES & LEARNING**

Renaming and reorganization of the Dept. of Education should be reviewed

Increase local control of schools to cut some of the bureaucracy at the state level

**DEPARTMENT OF COMMERCE**

Review continuing education programs (consider other measures of knowledge)

Create a standard licensing process for building contractors (legislative action has lead to inconsistent licensing practices)

**DEPARTMENT OF EMPLOYEE RELATIONS**

Adapt its role as civil service "watchdog" to focus more on employment and training

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Speed-up testing of clerical employees (requires a change in civil service laws)

Encourage cooperation between Dept. of Employee Relations and the Dept. of Trade and Industry

#### **DEPARTMENT OF PUBLIC SAFETY**

Review what works well (Bureau of Criminal Apprehension) and use that model to restructure other programs (Drivers' License Bureau) that do not work well

#### **PUBLIC UTILITIES COMMISSION**

Examine the reason for separating the Public Utilities Commission from the Dept. of Public Service

Appoint commissioners who are technically competent and who can deal with deregulation

#### **JUDICIAL SELECTION COMMITTEE**

Use the Carlson process as a model of what works well in government (people trust the current judicial selection process)

Tim Penny introduced Annette Meeks, Director of Minnesota Policy Blueprint, to address the Advisory Committee on government reform efforts at the Center for the American Experiment.

According to Ms. Meeks, the Minnesota Policy Blueprint is based on building a more user-friendly government, not eliminating government. It is rooted in three basic principles: 1) greater trust and accountability, 2) greater freedom, and 3) outcome based initiatives (see attached documents for complete recommendations).

Ms. Meeks stressed the importance of trust and accountability in government. She offered the Minnesota Department of Transportation as an example of a state department that people (and their elected representatives) do not trust. She also mentioned the Department of Health as an example of a state department that dodges accountability.

Freedom is critical to a more user-friendly government. Agriculture and Education are good examples of over-regulated departments. Government should recognize that its function is to steer these departments toward a certain goal, but it is the responsibility of farmers and educators to decide how to go about meeting those goals.

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Government should also be outcome-based. In Minnesota, departmental budgets are agency-driven and encourage more and more state spending. Departments approach the Governor and the Legislature with a "wish list" of projects and programs. These budget



requests should be carefully considered and funding should be contingent on program results.

Steve Bosacker, Transition Chief of Staff, and Wendy Wustenberg, Transition Governmental Relations Director, presented the most recent draft of the "Guiding Values and Beliefs" for the Ventura Administration. Members offered the follow suggestions:

The concept of freedom should be included in the section addressing a limited role for government.

It should include the Governor-Elect's words and slogans ("You can't legislate against stupidity." "You're never done learning.")

The draft should include a reference to more responsive government.

Youth and the disenfranchised should be included in the section on engaging citizens and encouraging their participation in the policy-making process.

Ms. Wustenberg asked the Advisory Committee members to consider whether these "Guiding Values and Beliefs" should be the basis for a government-wide report.

The meeting adjourned at 12:30 p.m.

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**ADVISORY COMMITTEE  
OFFICE OF THE GOVERNOR-ELECT**

**FOURTH MEETING  
DECEMBER 16, 1998**

**MINUTES**

Chair Dean Barkley called the third meeting of the Advisory Committee to order on Tuesday, December 16, 1998 at 4:15 p.m. in room B-5 of the State Capitol.

Members present:

Dean Barkley, Chair  
Peter Bell  
Joanne Benson  
Reatha Clark King  
Richard Lamm (via phone)  
Tim Penny  
Emily Anne Staples Tuttle  
Rep. Charlie Weaver

Duane Benson and Corrine Shepherd, Co-Directors of Department and Agency Appointments, reviewed the appointment process. They recently assembled a 10-person team to sort through resumes and conduct interviews with candidates for five commissioner appointments—the Department of Children, Family & Learning, Agriculture, Transportation, Trade & Economic Development and Human Services. Mr. Benson and Ms. Shepherd will develop a set of interview questions based on the Governor-Elect's visits to the various departments. The interview team will select a certain number of candidates using four criteria:

1. Loyalty
2. Reform-minded ("outside the box" thinkers)
3. Expertise
4. Customer-oriented

The team will send these names to the Advisory Committee members for their recommendations. The list of candidates will then be forwarded to the Governor-Elect for his final selection.

Mr. Benson and Ms. Shepherd mentioned that several individuals who expressed interest in commissioner appointments also do not want to go through the process. They plan to include these names in an addendum file for the Governor's review. Finally, they asked the Advisory Committee members to forward the names of individuals who could be recruited for appointments, especially in departments with few applicants.

Chair Barkley raised a concern regarding the party affiliation of the candidates for commissioner appointments. He suggested that 2-3 reform party candidates should be in the mix to show reform party activists that the Ventura Administration is still in-touch with his party.

Advisory Committee members offered the following suggestions to Mr. Benson and Ms. Shepherd regarding the appointment process and the press conference to announce the process:

Begin the press conference with an up-beat comment on the diversity and strength of the candidates who have applied for commissioner positions (to avoid head-counting).

Reinforce that the process is still open to new applications for these appointments and that current commissioners, if they so desire, will be considered (but be careful no to inundate the Governor-Elect and transition team with hordes of new resumes).

Stress that this is just the beginning of the appointment process and that it is just a template for how the process will function.

Return to the departments for input from employees and current commissioners regarding selection criteria specific to each department.

Assemble the "best qualified" cabinet. The reform party is still a work in progress. (It takes many years to build a party, but the Governor has only four years to prove himself.)

Tim Penny introduced Jane Belau, a governmental affairs consultant, to brief the Advisory Committee members regarding the CORE Project recommendations (report from the Commission on Reform and Efficiency, April 1993). Ms. Belau introduced to following witnesses to assist in her presentation:

Peggy Ingison, Department of Finance  
John Heintz, Department of Finance  
Fred Grimm, Honeywell  
Terry Bock, University of Minnesota  
Dana Badgezow, Honeywell

Ms. Belau reviewed the CORE recommendations for the executive branch (see attached documents for a detailed explanation). She suggested that the Governor-Elect consider merging some state departments, including the Departments of Revenue and Finance (income and spending), the Departments of Health and Human Services (welfare), the Departments of Public Safety and Corrections, the Department of Natural Resources and the Pollution Control Agency, and the

Departments of Economic Security and Labor and Industry. She also recommended that the Governor-Elect create a new Department of Education to emphasize the importance of education.

The CORE Project called for a reduction in the number of state departments (from 23 to 8). The Commission on Reform and Efficiency examined government structure in other states to determine this secretarial model. While the cost savings for implementing this model is not significant (\$37 million), the state would benefit from considerable "savings" in customer satisfaction. Such restructuring could not be done by executive order. The Governor would need Legislative approval.

The witnesses discussed various barriers to reform and offered several suggestions for implementing the CORE recommendations:

Merging two departments is difficult unless both commissioners are supportive and willing to follow through. Many people think government reform is a good idea, but they do not want to make any change that will affect their department, agency or program. The Governor must appoint commissioners who support government reform.

The Governor's support for reform initiatives must be consistent and enduring (he must stand by his commitment when the bill comes to his desk).

The Legislature must be on-board early on (give legislators part ownership of the initiatives).

The Governor must rally constituent groups around the idea of government reform to influence department heads and legislators that there is public support for these initiatives.

The Governor has a window of opportunity and must initiate reform now. He should choose his battles wisely, and he should sell his reform package based on the outcome (increased customer satisfaction).

Tim Penny and the Advisory Committee members thanked Jane Belau and the other witnesses and moved on to the final agenda item, a review of the "Guiding Values & Beliefs" of the Ventura Administration.

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Wendy Wustenberg, Governmental Affairs Director, asked the members for their input regarding the latest draft. The advisors recommended starting each part with the Governor's words, and simplifying the message in to three parts: 1) accountable, responsive and limited government (with competition as an element), 2) self-sufficiency (with public education and personal responsibility as elements),

3) government for the people (re-engaging people by changing the culture of government). See revised draft (attached) for specific language.

The meeting adjourned at 7:10 p.m.

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JESSE VENTURA  
GOVERNOR-ELECT

**STATE OF MINNESOTA**  
OFFICE OF THE GOVERNOR-ELECT  
(651) 297-9500  
ST. PAUL, MN 55155

ROOM B5  
STATE CAPITOL

**Advisory Committee  
Office of the Governor-Elect  
B-5 Capitol, 10:00 a.m.  
Wednesday, December 30, 1998**

**AGENDA**

1. Briefing with the Governor-Elect
2. Review of commissioner candidates for 6 departments  
  
Duane Benson & Corrine Shepherd, Co-Directors  
Department & Agency Appointments
3. Question and answer session on the Minnesota tobacco settlement  
  
Doug Blanke, Consumer Policy Director  
Office of the Attorney General
4. Adjournment





JESSE VENTURA  
GOVERNOR-ELECT

**STATE OF MINNESOTA**  
OFFICE OF THE GOVERNOR-ELECT  
(651) 297-9500  
ST. PAUL, MN 55155

ROOM B5  
STATE CAPITOL

# MEMO

TO: Advisory Committee  
FROM: Dean Barkley, Chair  
RE: Committee Meetings and Appointments Information  
DATE: December 23, 1998

The Advisory Committee will be meeting on Wednesday, December 30 at 10:00 a.m. and Wednesday, January 6 at 3:00 p.m. in the Transition Office (B-5 State Capitol Building) conference room.

I am inviting Doug Blanke, Assistant Attorney General, back on December 30 to continue our discussion of Minnesota's tobacco settlement. Other potential agenda items include a briefing from Sandy Hale on government reform and a briefing from Duane Benson and Corrine Shepherd on the appointment process. More detailed agendas for both meetings will be faxed to you as soon as they are confirmed.

The following interview pairs are assigned to the departments under consideration in the appointment process:

Gene Merriam & Pat Manalo, Dept. of Children, Families & Learning  
Harold Yates & Jean Harris, Dept. of Transportation  
Kathleen O'Brien & Gene Frey, Dept. of Trade & Economic Development  
Cheryl Rantala & Jim McGlade, Dept. of Agriculture  
Melissa Riebel & Lurine Baker Kent, Dept. of Human Services  
Jane Belau & Dick Anfang, Dept. of Public Safety  
Don Storm & Alberto Monserrate, Dept. of Natural Resources  
Lynn Anderson & Sean Kershaw, Dept. of Health  
Don Helmsetter & Tom Swain, Dept. of Economic Security

Duane Benson and Corrine Shepherd have indicated to me that they are still looking for individuals to serve as interviewers. They are also interested in any further suggestions you may have for commissioner candidates (the lists of candidates in **all** departments and agencies are

rather short). Please forward any recommendations for interviewers or commissioners to Laura Offerdahl (297-9531 fax) as soon as possible.

I would appreciate hearing from you regarding departments and agencies in which you have a specific interest. For your convenience, a list of departments/agencies is included. Please indicate your interests on this list and fax it back to Laura Offerdahl. She will make sure that your input reaches Duane and Corrine for use in the appointments process.

Finally, please review the attached issue group list. Tim Penny and Wendy Wustenberg are organizing meetings with various issue groups beginning next week. If you are interested in being contacted to participate in any of these groups, please contact Laura Offerdahl.

Thanks for all of your input at last night's meeting. Your concerns will be directed to Steven Bosacker and the Governor.

Best wishes to you and your family for a happy holiday season.



**MINNESOTA  
WOMEN'S  
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MAKE HER  
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Δ

112 NORTH THIRD  
STREET  
SUITE 203  
MINNEAPOLIS,  
MN 55401  
612-904-6723  
FAX: 612-397-9725

▽

**Board of Directors**

Kay Batchelder  
Margee Bracken  
Marilyn Bryant  
Karla Ekdahl  
Marion Etzwiler  
Phyllis France  
Sharon Frank  
Deb Frenzel  
Suzanne Fuller-Terrill  
Teddy Gesell  
Loey Hahn  
Blanche Hawkins  
Carol Hayden  
Penny Hunt  
Katie Kelley  
Perrin Lilly  
Helen Metz  
Mary Hill Smith  
Nancy Speer  
Elly Sturgis  
Emily Anne Tuttle  
Ruth Usem

December 7, 1998

Ventura Administration Transition Team  
Selection Process  
c/o Steven Bosacker, Chair  
Room 5B, State Office Building  
75 Constitution Ave.  
St. Paul, MN 55155

Dear Mr. Bosacker,

I'm writing on behalf of the board of directors of the Minnesota Women's Campaign Fund to urge Governor-Elect Ventura to appoint as many qualified women to positions in his administration as possible. Women have a tremendous capacity to contribute to better governance. The record is clear that as appointed officials, women work hard to improve our state's livability and to develop themselves as leaders.

I have enclosed resumes of women who exemplify the high caliber of women interested in serving in this administration. They are:

|                                    |  |
|------------------------------------|--|
| Margie E. Hendricksen              | Public Utilities                                     |
| Jayne Khalifa                      | Labor & Industry, Employee Relations, Administration |
| Mary Ellen Hennen                  | Employee Relations, Administration                   |
| Cecily Hines                       | Judiciary, MN State Arts Board                       |
| (resume sent under separate cover) |  |
| Nancy Hylden                       | IRRRB  |
| Emily Smith McGrath                | Administration                                       |
| Mary K. Murray-Boyd                | Education  |
| Connie Perpich                     | Health, Human Services, IRRRB, Tourism               |
| Judith Pinke                       | Transportation                                       |
| Mary Hill Smith                    | Transportation                                       |

We appreciate your thoughtful consideration of these and other qualified women. Feel free to contact me at 612/377-6712 if I can be of further help.

Sincerely,

Karla Ekdahl  
President



JESSE VENTURA  
GOVERNOR-ELECT

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR-ELECT  
(651) 297-9500  
ST. PAUL, MN 55155

ROOM B5  
STATE CAPITOL

**Advisory Committee  
Office of the Governor-Elect  
B-5 Capitol, 3:30 p.m.  
Tuesday, December 22, 1998**

**AGENDA**

1. Discussion of current Commissioners and their job performance
2. Review of transition process to date and discussion of what the transition team does well and what it could do better
3. Briefing on Judicial Selection

George Seoule, Chair  
Judicial Selection Committee

4. Recommendations for government reform

Mike O'Keefe  
McKnight Foundation

5. Briefing on terms of the Minnesota tobacco settlement

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Doug Blanke, Consumer Policy Director  
Office of the Attorney General

6. Adjournment

RESUME

CONSTANCE CHAMBERLAIN PERPICH  
4774 Laura Lane  
Shoreview, MN 55126

Tel: (651) 481-0377

EDUCATION: University of Minnesota, Minneapolis. Currently finishing a Master of Arts degree in German Literature with a Journalism minor.

Georgia State University, Atlanta, Ga., B.A.

Universitaet des Saarlandes, Saarbruecken, Germany. (Certificate of Language Proficiency).

EXPERIENCE:

1985 on Director of Public Affairs, Planned Parenthood of Minnesota/ S. Dakota. Oversee the lobbying activities in two state legislatures and three federal delegations (Minnesota, South and North Dakota). Oversee budget of \$500,000 and supervise seven people.

1981-1983 Administrative Assistant, St. Louis County, Hibbing.

1976-1980 Administrative Assistant, Minnesota Senate, State Capitol, St. Paul. Organized committee meetings; scheduled committee bills; secured information from other staff and community resources and represented committee chairman at related conferences.

1974-1976 Administrative Fellow, Center for Western European Area Studies, University of Minnesota, Minneapolis. Edited Western European Area Studies Newsletter.

1970-1971 English interpreter for Sozial-Psychologische Forschungs Institut fuer Entwicklungslaender, Universitaet des Saarlandes, Saarbruecken, Germany.

AREAS OF INTEREST:

Health  
Human Services  
Tourism  
Iron Range Resources and Rehabilitation Board

References furnished on request.

LOCKRIDGE GRINDAL  
NAUEN & HOLSTEIN P.L.L.P.

ATTORNEYS AT LAW

SUITE 2200

100 WASHINGTON AVENUE SOUTH  
MINNEAPOLIS, MINNESOTA 55401-2159

TELEPHONE (612) 339-6900

FACSIMILE (612) 339-0981

SUITE 900, SOUTH BUILDING  
601 PENNSYLVANIA AVENUE, N.W.  
WASHINGTON, D. C. 20004

TELEPHONE (202) 434-8163

FACSIMILE (202) 639-8238

ROBERT J. SCHMIT  
RICHARD A. LOCKRIDGE  
CHARLES N. NAUEN  
H. THEODORE GRINDAL  
LINDA L. HOLSTEIN  
W. JOSEPH BRUCKNER  
BRADLEY W. ANDERSON  
PATRICIA A. BLOODGOOD  
JOSEPH M. MUSILEK  
CHRISTOPHER K. SANDBERG  
HARRY E. GALLAHER  
WILLIAM A. GENGLER  
ERIC C. TOSTRUD

HENRI G. MINETTE  
EARLE F. KYLE IV  
SARA MADSEN  
GREGG M. FISHBEIN  
SUSAN E. ELLINGSTAD  
JEAN K. JAMES  
LORENZ F. FETT, JR.  
KAREN E. REILLY  
CHRISTIAN M. SANDE  
AARON A. DEAN  
JEFFREY T. NODLAND  
JILL M. MEISTER  
HEIDI DREWES-SILTON

OF COUNSEL  
DANIEL A. FARBER \*  
MILDA K. HEDBLUM  
ELIZABETH A. SNELSON  
KATHLEEN F. YOUNG

\*ADMITTED IN WASHINGTON, D.C. ONLY

December 3, 1998

Emily Anne Staples Tuttle  
Governor Ventura's Transition Committee  
1225 Shoreline Drive  
Wayzata, MN 55391

Dear Emily:

Please consider this letter my application for consideration as a member of (future) Governor Ventura's Judicial Merit Selection Committee. I sense that this venture (of choosing or "nominating" new District Court judges) may be called something different (i.e. something other than a "judicial merit selection committee") but however it's labeled, I'd love to be on it.

I've enclosed two copies of my resume and reprints of one article. Let me know what I need to do.

Thanks so much for your help!

Sincerely,

LOCKRIDGE GRINDAL  
NAUEN & HOLSTEIN P.L.L.P.



Linda L. Holstein

Enclosures



December 10, 1998

Mrs. Gedney Tuttle  
1225 Shoreline Drive  
Orono MN 55422

Dear Emily:

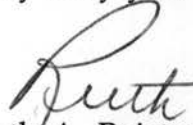
I understand Ray recently spoke with you concerning an appointment to the Public Utilities Commission with the new State administration under Governor-elect Ventura.

The utilities field has been of special interest to me. While serving as Deputy Undersecretary of Agriculture in Washington, D.C., the Rural Electric Agency was one of the agencies for which I was responsible. In addition, I served on the Rural Telephone Bank Board. This experience, together with my career in government and banking, my professional training as a lawyer and many years of volunteer service in the community, qualify me for this position.

I am willing to serve in other capacities, including voluntary or advisory assistance. Incidentally, I was on a volunteer committee for Governor Carlson to interview candidates for appointment in his administration. I would be willing to do this again for Governor-elect Ventura.

Enclosed is a copy of my resume. I would be pleased to talk with you at your convenience and provide references upon request.

Very truly yours,



Ruth A. Reister

93 Groveland Terrace  
Minneapolis MN 55403  
612/377-0862  
FAX: 612/377-4883

RAR/dh  
Encl.

## BIOGRAPHY

## JAYNE BACCUS KHALIFA

Jayne Baccus Khalifa, a native of Tulsa Oklahoma, has been a resident of the Twin Cities for 32 years. She attended Oklahoma State University and is a graduate of the University of Minnesota. She has also completed the Strategic Leadership for Gubernatorial Executives program conducted by the Governors Center at Duke University. Jayne has been employed for 22 years in the public sector. She has held a variety of management and executive level positions in both City and State government including: Operations Director, Office of the Secretary of State; Chief of Staff, Department of Trade and Economic Development; Commissioner, Minnesota Department of Human Rights; Director, Governors Office of Science and Technology and Assistant Director, Minneapolis Civil Rights Department.

Jayne has Served on a number of boards locally and nationally including: Benilde St. Margaret's, The Links Inc. Central Area, Minneapolis-St. Paul Links Inc. Vision St. Louis Park, Headwaters Fund, The Women's Economic Development Corporation, Minnesota Project Innovation, Minnesota High Technology Council, and Jack and Jill of America.

Jayne is married to Akmed Khalifa, an educational consultant and small business owner and she is the mother of three adult children.

**Jayne Baccus Khalifa**  
2657 Florida Ave. S.  
St. Louis Park, Minnesota 55425  
(612) 920-7375 (h) 612 296-9219 (O)

---

## PROFESSIONAL SUMMARY

Successful, energetic and versatile Manager and Mentor. Valued as a knowledgeable, responsive, dependable resource by employer and employees. Demonstrated ability to accurately evaluate situations and effectively implement creative solutions. Ability to develop professional and personal skills of others through coaching and personal empowerment. Skilled at facilitating participatory strategic planning and effective organizational visioning. Experience developing, securing funding and managing organizational budgets. A caring dedicated professional with strong leadership skills, wide ranging community involvement and excellent communication skills.

## ACCOMPLISHMENTS

### Management

- 17 years Public Sector Executive level management experience in four Cabinet level Departments with 15 direct reports at the Deputy Director and Director level.
- Changed organizational operating culture from autocratic to participatory decision making environment.
- Developed agency wide strategic planning process with measurable goals, responsibilities and timetables.
- Developed measurable work performance standards
- Increased staff productivity and reduced operating costs through re-engineering of work processes and automation of work functions.
- Received 1985 U.S. Congressional award from the Congressional Institute for Space Science and Technology in recognition of outstanding leadership in the area of High Technology Achievement.
- Developed successful strategy for involving underrepresented group leaders in U.S. Senate campaign.
- Successfully negotiated use of Department of Jobs and Training ES202 non public business data to publish State of Minnesota's first Directory of Technology Intensive businesses.
- Successfully settled 15 Union grievances and 3 law suits inherited when appointed Commissioner of a highly volatile Cabinet Level Agency.
- Developed and instituted employee run Recognition Program and communications process to insure open communication up and down the organizational structure

### PROGRAM DEVELOPMENT

- Designed and implemented Minnesota's first No-fault Settlement/Mediation process in Human Rights Enforcement Agency.
- Developed and implemented agency wide Quality/Customer Service program.
- Instituted Total Quality Management principals throughout a major State Agency.
- Developed public/private partnership with three non profit community agencies, wrote legislation and secured appropriation to fund agency programs.
- Directed the development of a comprehensive student services and counseling program for adult learners in a vocational technical program.
- Directed the redesign of Alternative School Curriculum and student support services threatened with removal of funding prior to hire. Improved retention of students and increased performance in reading and mathematics exceeding funding agent requirements for continued funding.
- Established panel of distinguished scientist, drafted legislation and secured passage and funding for Minnesota's first Peer Review program for research funded with State dollars.
- Appointed to Public/Private Steering Committee to design content for first Women in Science Exhibit at the Science Museum of Minnesota.
- Recipient of a state grant to evaluate the employment processes of nine suburban municipalities, published findings, and made recommendations for making the processes more open and equitable.

### PROJECT DEVELOPMENT

- PROJECT LEADER for the successful conversion of two offices mainframe computer operations to open platform, Client Server, systems. Included development of a Management Information Systems Plan, securing legislative funding, logical modeling, data base design, coding, testing and documentation.

- Successfully managed conversion of large microfilm and roll film storage operation to electronic imaging which had to integrate with offices client server and electronic cashing operations.
- Steering Committee member for "Vision St. Louis Park" A community strategic planning project.
- Directed the development of all briefing and protocol materials and served as the department liaison with the Soviet Embassy for the Minnesota meeting of Business Leaders held during the visit of former President of the Soviet Union Mikhail Gorbachov.
- Managed the first State/Federal cooperative effort to electronically transfer IRS tax liens to State and County filing offices.
- Designed and provided staff and volunteers for a cooperative public/private Sponsorship of the states first High Technology Essay Contest for secondary students across the state.

### **BUDGET/FINANCIAL**

- Managed \$59 Million Department of Trade and Economic Development budget which included funding for the Office of Tourism, The Minnesota Trade office and State Community Development programs.
- Wrote legislation and secured funding in the amount of \$1.3 Million for upgrading computers used for Elections and Uniform Commercial Code filings in 87 Minnesota counties.
- Manage Secretary of State Budget of \$17 Million.
- Served on the allocations committee for the Headwaters Fund, and the St. Paul United Way community programs.
- Demonstrated ability to make persuasive presentations and write effective proposals. Secured Corporate funding for: Sickle Cell Camp - Camp Courage; Minneapolis-St. Paul Links Young Women's Issues Forum, "An African American Perspective"; Penumbra Theater Student Intern Program; \$25,000 to \$30,000 Scholarships awarded annually to Minority High School Students
- Past Treasurer: Women Venture, Twin Cities OIC.

### **PROFESSIONAL EXPERIENCE**

|   |                        |
|---|------------------------|
| Operations Director, Office of the Secretary of State | 1991 - Present         |
| Department of Trade and Economic Development          | 1983 - 1990            |
| Chief of Staff  | 1986 - 1990            |
| Director of Science and Technology                    | 1984 - 1985            |
| Executive Assistant to the Commissioner               | 1983 - 1984            |
| Minnesota Dept. of Human Rights                       | 1974 - 1979; 1985-1986 |
| Commissioner  | 1985 - 1986            |
| Assistant Commissioner, Enforcement Division          | 1976 - 1979            |
| Director of No-Fault Grievance Program                | 1974 - 1976            |
| Deputy Director, Minneapolis Civil Rights Department  | 1973 - 1974            |
| Director, Minneapolis Street Academy                  | 1972 - 1973            |
| Twin Cities OIC (Summit Academy)                      | 1968 - 1973;           |
| Assistant to the Director                             | 1971 - 1973            |
| Director of Student Services                          | 1969 - 1971            |
| Vocational Counselor                                  | 1968 - 1969            |

### **EDUCATION**

Oklahoma State University; Psychology Major - 2 years  
B.A. Psychology; University of Minnesota - 2 years (Degree Candidate)

### **CONTINUING EDUCATION**

Duke University, Governors Center, Executive Leadership for Gubernatorial Appointees  
Center for International Leadership - Leadership and Ethics Seminar  
Numerous Management workshops and seminars

### **COMMUNITY ORGANIZATIONS**

#### **CURRENT:**

Benilde St. Margaret's Catholic School - Board Member, Diversity Committee organizer, Personnel Committee - Staff Chair  
Jack & Jill of America - Program Chair, Teen Advisor  
Minneapolis- St. Paul Links Inc., Immediate Past President, Services to Youth Facet Chair, 25th Anniversary Chair

#### **PAST**

Vision St. Louis Park, Steering committee  
St. Thomas Episcopal Church - Sunday School Superintendent  
Headwaters Fund - Board Member, Allocations Committee  
Women Venture - Board Member, Treasurer  
Twin Cities OIC - Board Member, Treasurer  
Turning Point - Board Member  
Minnesota High Tech Council - Board Member  
Minnesota Project Innovation- Board Member  
St. Paul United Way - Committee Member

# Mary Ellen Hennen

46 South Dunlap  
St. Paul, Minnesota 55105

Home: 651-222-5426  
Office: 651-635-8240

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## Qualifications Profile

Experienced Senior Manager recognized for skills in budget and management control systems, organization design, communications, and quality improvement. Adept leader successful in creating new organizations and re-vitalizing existing ones; experience working with for-profit and not-for-profit businesses. Knowledgeable strategic planner effectively deals with conflict, pressure and challenge while maintaining and strengthening working relationships.

## Work History

### Director for Administration, Minnesota State Lottery

1989 to Present

Manage all administrative activities for state lottery, an independent for-profit enterprise with staff of 200, administrative budget of \$50 million and annual sales of \$350+ million.

- Established account structure and financial systems which gave Lottery access to \$8.5 million start-up loan resulting in commencement of sales five months later, repayment of loan and deposit of additional \$9 million with State Treasury four months subsequently.
- Leased, designed and furnished office and warehouse space in six locations across state within five months.
- Designed and directed process to recruit, screen and contract with approximately 1,200 retailers who were trained and ready to sell lottery tickets within five months.
- Established criteria for review of 10,000+ resumes received in a five month period resulting in selection and training of 200 staff within three months.
- Manage accounts receivable system that electronically sweeps funds from retailer bank accounts each week resulting in less than one quarter percent of sales referred to any collection effort.
- Reorganized financial division to provide more appropriate balance of control and analysis necessary as organization matured and sales leveled off.
- Directed staff to adopt on-line system to communicate policy and procedures which increased accuracy and accessibility of information while virtually eliminating physical storage and paper costs.
- Chaired international conference for 1,000+ participants that, on budget of \$850,000, achieved economic impact of \$3.5 million for metropolitan area.

### Executive Director, Minnesota Public Utilities Commission

1985 to 1989

Directed agency that regulates gas, electric and telephone service. Managed annual budget of \$3 million, staff of 30 utility and financial analysts, attorneys and customer service professionals.

- Reorganized agency to more effectively align staff resources: a 10% increase in professional staff produced a 20-25% increase in productivity.



- Directed task force to design PUC's first integrated automation system and LAN. This automation meant materials reached analysts and decision makers more quickly, paper and storage costs were reduced, and formal commission orders were issued more promptly.
- Established employee user group to continually monitor system capability resulting in staff, not vendors, directing subsequent system upgrades and acquisitions.
- Persuaded State's Finance Department to roll forward unspent funds to subsequent fiscal year which meant computer system purchase did not financially handicap regular operations.
- Focused staff on individual and group responsibilities so they were able to work effectively through prolonged period of intense public scrutiny with minimum disruption to work products and morale.
- Instituted first coordinated staff training program to continually update technical knowledge and establish national network of resources, which significantly expanded the staff's ability to bring pertinent information to Commission deliberations.
- Established system of integrated work teams to review and present issues for commission deliberation so hearings, once commenced, proceeded more quickly to decision and with 10-15% fewer appeals.

**Management Services Manager, Minnesota Department of Economic Security** 1979 to 1985

Directed staff which developed legislative biennial budget and annual operating budget for agency with staff of 2,000 and budget of approximately \$100 million; designed and directed projects to improve management, staff communication and policy development. Edited two staff newsletters; designed and implemented management training for cost accounting. Managed efforts to consolidate financial and administrative services when three agencies were consolidated into one department.

**Budget Analyst, Governor's Manpower Office** 1974 to 1979

Managed budgeting and financial reporting systems for a start-up agency charged with implementing Comprehensive Employment and Training Act throughout Minnesota. Directed administrative services and human resources; developed automated financial information system which was flexible enough to be effective as annual budget grew from \$3 million to \$45 million.

**Management Analyst, Minnesota Department of Economic Security** 1971 to 1974

Designed and managed projects to improve programs and operations for multimillion dollar state employment and training agency.

## **Education**

- Graduate study in Business Education, St. Cloud (MN) State University
- B. S. in Business Education (Magna Cum Laude), St. Cloud (MN) State University

## **Volunteer Services**

- Board Member: State Capitol Federal Credit Union, 1993-97; Women in State Employment, 1989-93; Open Arms of MN, 1998; Park Square Theatre, 1998
- Strategic, Communications and Financial Planning: Minnesota Women's Foundation, 1997 - present
- Allocations Committee: United Arts Fund and United Way of St. Paul, 1985-1989
- Fund Drive Volunteer: MN Public Radio, 1989 - present



308 East Orange Street  
Duluth, MN 55811  
November 23, 1998

To whom it may concern:

I am submitting my resume for consideration for the position of IRRRB Commissioner in the Ventura administration. I believe my personal and work-related backgrounds uniquely qualify me to serve in this capacity. Furthermore, as my work experience and interests indicate, I think that my personal and political philosophies closely align with that of the new administration.


I grew up in Silver Bay, Minnesota, where my parents still live. Reserve Mining Company was essentially the only employer in my home town, producing taconite pellets of higher concentration from the raw taconite railed in from the inland mines. These pellets were shipped through the Great Lakes to sites producing steel. As a teenager I witnessed my community being decimated by the closing of this plant. Without work, many families moved away, houses stood empty, and the community withered. There is no equal to this experience to make it clear that such communities, so dependent on a single natural resource supply, must find ways to diversify and stabilize their local economies. The IRRRB is designed to help Minnesota's Iron Range and taconite-dependent region do just this. As commissioner, I would bring with me this personal understanding as a lifelong resident of Northeastern Minnesota.

Most importantly however, I can provide the creative and energetic leadership which will bring success to the efforts of the IRRRB. I have a technical background in the natural sciences which I have applied in my career, through volunteer efforts, and in my personal pursuits. I have collaborated on developing successful patent applications for the reduction of mercury emissions from coal-burning facilities, with other ideas in progress. I have facilitated efforts to introduce new ideas to the region, such as gaining support for a pilot program for electric car recharging stations (Environmental Trust Fund proposal). I have secured state funding for economic development initiatives in housing through my work representing the Greater Minnesota Housing Fund and the Family Housing Fund; and for local projects such as Duluth's Hartley Nature Center.

Experience has taught me an important lesson: having a good idea is only the first step and the easiest step in creating successful proposals of any kind. Focused persistence and unfailing enthusiasm for implementing these ideas must follow. I strongly believe that the success of the IRRRB efforts will hinge upon an tireless leader who can inspire others and instill excitement into the projects which are undertaken. I am such a leader.

I would enjoy the opportunity to meet with advisors to Governor-elect Ventura to discuss the possibility of my appointment.

Sincerely,

  
Nancy Hylden

**Nancy M. Hylden**  
308 East Orange Street  
Duluth, MN 55811  
218-722-5223

## **QUALIFICATIONS**

Energetic high achiever, experienced in all aspects of legislative and regulatory affairs. Well-developed written and oral communication skills. Experience working with corporate management, trade associations, grassroots and public relations. Supervisory experience with strong leadership and team-building skills.

## **WORK EXPERIENCE**

Faegre & Benson, LLP (1997-present)

### Lobbyist

- In general, provide clients with government relations services on both state and local issues.
- Develop and implement strategies for changing laws/ordinances and securing project funding.
- Proactively monitor public policy forums of all types for impacts on clients.

Minnesota Chamber of Commerce (1994-1997)

### Director of Health & Energy Policy

- Developed positions and legislative initiatives on health care and energy issues of significance to state chamber members (3000 employer members with 1/2 million employees.)
- Advocated Chamber positions with legislators and regulators.
- Built and facilitated coalitions with other trade associations and organizations.
- Developed and oversaw communications, public relations and grass roots activities on major health care issues.
- Advised Board of Directors on health and energy policy.
- Represented business interests on state health care organizations:  
Minnesota Health Data Institute Board of Directors,  
Minnesota Health Initiatives Program,  
Minnesota Community Rural Health Work Group,  
Regional Health Care Coordinating Boards.

Minnesota Power, Duluth, Minnesota (1998-94)

### Legislative Representative (1992-94)

- Developed public relations strategies on issues of interest to the company.
- Served as liaison with state legislators and agencies.
- Updated/advised executive management regarding state policies.
- Coordinated policy development, grant writing, other technical work groups.
- Participated in various government affairs organizations, coalitions.

### Systems Programmer (1990-92)

- Administered corporation's personal computer network (300+ machines.)
- Coordinated training and support to ensure consistent operation of computer system.
- Managed/advised software, hardware and network selection, installation.

### Environmental Chemist (1988-90)

- Developed and administered emissions monitoring programs.
- Established consistent interactions with regulatory agencies.
- Coordinated reporting to state and federal agencies.

N. Hylden

work experience, continued

Murphy Oil USA, Inc., Superior, Wisconsin (1987-88)

Chemist

- Supervised 20 lab technicians performing quality control tests at oil refinery.
- Established employee safety and hygiene program for lab technicians.
- Ensured company compliance with government regulations.
- Directed hazardous materials program including waste management.
- Developed and coordinated the preparation of various regulatory reporting.

Phillips Universitat, Marburg, Germany (1986-87)

Chemist

Conducted a study of organo-mercury compound synthesis.

Lonza AG, Visp, Switzerland (1985)

Research & Development Intern

Conducted a chemical engineering study of catalysts at an on-site pilot plant.

U.S. Environmental Protection Agency, Duluth, Minnesota (1984-85)

Physical Science Aid

Performed correlation studies for acid rain research program in northern Minnesota, Wisconsin, and Canada.

**EDUCATION**

MASTER OF INDUSTRIAL SAFETY, Industrial Hygiene Option, 1993,  
University of Minnesota.

BACHELOR OF SCIENCE, CHEMISTRY/MATH/GERMAN, 1986, University of  
Minnesota.

Graduation with honors.

**COMMUNITY LEADERSHIP**

President, Minnesota Women's Political Caucus (multi-partisan organization),  
currently serving

President, Minnesota Women's Education Council, 1997

Member, International Joint Commission's Lake Superior Binational Forum, 1994-97

Vice Chair, Minnesota Office of Environmental Assistance Waste Education  
Coalition, 1994-1995

Delegate, Rotary International Group Study Exchange, Changchun, China, 1994

Coordinator, Superior Hiking Trail guidebook publishing, 1994-95

Delegate, Superior-Baikal, Siberia, Sister Lakes Expedition 1992

Board Member, Duluth-Petrozavodsk Sister City Project, 1988-92

**MISCELLANEOUS**

Fluent in German.

Competent with any personal computer system.

Collaborator on U.S. patent for industrial process reducing trace metal  
emissions (1996.)

## Mary K. Murray-Boyd

---

570 W. Sandhurst Drive #122  
Roseville, MN 55113

(651)487-6830(Home)  
(651)659-6046(Work)

### Philosophy

I believe in the dignity and respect of various community, public, and private entities working together in support of children and families. Only through such partnerships will achievement be raised and opportunities realized for the benefit of all.

### Summary of Qualification

---

- ◆ 19 years educational administration experiences in urban settings.
- ◆ Successful leadership of a collaborative educational reform initiative, Achievement Plus, through the planning and implementation of program development, collaborative design and fund raising for a public/private partnership designed to increase student achievement through the identification and addressing of barriers to every students success.
- ◆ Management of a public education alternative program, the Saint Paul Area Learning Center, through the initiation and implementation of satellite programs, creation of student-support service teams who network with public and private county human service agencies, and the development of business partnerships.
- ◆ Forty years of experience with community support services, including involvement with the Amherst H. Wilder Foundation on creating parent support groups, the Saint Paul Chamber of Commerce *Saint Paul Tomorrow*, collaboration with Saint Paul Ramsey Hospital, and Penumbra Theatre in support of "Calling the Shots" gun violence prevention initiative.

### Education

---

- 1981: Master of Science Degree  
Education, Guidance and Counseling; University of Wisconsin,  
River Falls, Wisconsin
- 1975: Bachelor of Science Degree  
Social Welfare; University of Minnesota, Minneapolis, Minnesota

### **Professional Accreditation**

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State of Minnesota Principal's License  
National Board Certified Counselors  
Minnesota State Board of Licensed Social Workers  
Minnesota State Board of Licensed School Social Workers

### **Employment History**

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Saint Paul Public Schools; 360 Colborn, St. Paul, Minnesota, 55102

|              |   |
|--------------|---|
| 1997-Present | Executive Director, Achievement Plus Community Schools (grades K-8)   |
| 1992-1997    | Principal, Saint Paul Area Learning Center (ages 5-21)  |
| 1988-1992    | Principal, Saint Paul Open School (grades K-12)   |
| 1986-1988    | Assistant Principal, Hazel Park Junior High (grades 7-9)  |
| 1988         | Principal, Highland Junior High School (Summer School)  |
| 1987         | Principal, Washington Junior High School (Summer School)  |
| 1985-1986    | Assistant Administrator, Central High School  |
| 1979-1984    | Director, St. Paul Street Academy (An alternative program for high risk secondary students)   |
| 1977-1979    | Youth Advocate, Highland Park Junior and Senior High Schools (A position designed to work with institutionalized, probationary, and pre-delinquent youth) |
| 1971-1977    | Home-School Liaison, Maxfield and Galtier Elementary Schools (A multifaceted position designed to bridge the gap between home and school)                 |

### **Related Experiences**

---

#### Freelance Employment

|      |   |
|------|---|
| 1987 | Adjunct Faculty, University of Minnesota, Extension Division                        |
| 1984 | Interim Director, Minority Affairs Department, University of Wisconsin, River Falls |
| 1979 | Community Work, Minnesota Department of Corrections, Juvenile Offenders Program     |



1978 Coordinator, Women Against Rape (WAR), Jones and Associates  
Counseling Service

1975-1979 Adjunct Faculty, University of Wisconsin, River Falls

Consulting Experiences

Garcia & Associates  
Human Resources Associates  
Saint Paul Public Schools  
Minneapolis Public Schools  
State Department of Education  
Coalition of Black Lutherans  
American Lutheran Church  
Girl Scouts of America  
National Association of Secondary School Principals  
Principal Assessment Center

Additional Learning Experiences

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1996-Present Fetzer Institute, Michigan, *Healing the Heart of Diversity*, Training-the-trainers, participant  
*Healing the Heart of Diversity*, participant  
*Dialogues in Diversity*, participant

April, 1996 Stairsteps Foundation Mentor—journey to Ghana, West Africa

1990-1991 Bush Foundation Principals' Leadership Program

1990 Minnesota Education Effectiveness Training, Minnesota State  
Department of Education

1989 National Association of Secondary Principals Assessment  
Center Training Seminar  
*Investment in Excellence* Leadership Training, Minnesota  
Administrators' Academy

1984 Hubert H. Humphrey Leadership Seminar

1982 *Realizing Your Potential*, Gloria Damage-Scott, Consultant,  
Metropolitan State University

1981 Leadership Development Training, Amherst H. Wilder Foundation

1979 LEAA Training Center, Region 5, *School Team Approach for  
Preventing and Reducing Crime and Disruptive Behavior*



### **Professional Organizations, Boards, Committees and Task Forces**

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Minnesota State Department of Education Wavier Review Panel  
Minnesota Higher Education Coordination Board Task Force on Teacher Training and Licensing  
Minneapolis/Saint Paul Coalition on over-representation of African-American Males in Special Education Emotional Behavior Disorder Programs  
Greater Saint Paul Tomorrow Task Force  
Collaborative Movement for Improvement, Chair Parent Organization of Black Teens for Advancement and Sisters in the Struggle for Survival—advisor and introduced Atlanta, Georgia models to Saint Paul  
Goodwill Industries, Inc./Easter Seal Society of Minnesota, Board of Directors  
Twin City Institute for Talented Youth, Board Member  
National Association of Secondary School Principals  
Saint Paul Principals' Association, President  
Phi Delta Kappa  
Administrative Women in Education  
Scholia  
Association of Supervision and Curriculum Development  
Parent/Child Development Institute, Board Chair  
Limited Thirty Professional Black Women's Network  
Penumbra Theatre, Board Member  
Network of Progressive Educators  
Model Cities Youth Health Exploration Project, Advisory Board  
Gun Violence Action Team, Committee Member  
Greater Saint Paul Tomorrow

### **Awards**

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Spurgeon Award for exceptional career achievements and outstanding community service, 1993  
Kappa Alpha Psi Fraternity, Community Service Award, 1993  
Saint Paul YWCA Outstanding Leader in Education, 1991  
*Outstanding Leadership in Improving the Quality of Life for Children and Youth in the St. Paul Community Award* from the Twin Cities Chapter of the Continental Societies, Inc.  
Arline Winfield *Speical Mother Award for Outstanding Contributions to the Community as a Mother*, 1995

Karen Benson  
Ellis Bullock  
Peter Hutchinson

ANR - John Case - (Pat's husband)

Trade + Econ Dev. - Bob Long

Commerce - Michael Rothman (Bob Katz' son in law)

Health - Lee Greenfield? public Health Dick Welch

Administration - Dick Welch Mary Ellen Hennen

Labor + Industry - Paul Mae

Revenue - Dee Long

Transportation - Mary Smith  
Judy Linke

Education - Becky Kelso

Finance - Jean Merriam

## The Mighty Five

*"Our focus has got to be on security and the economy ...  
and whatever supports those things."*

Governor Jesse Ventura  
November 2001

Security & Our War on Terrorism - *Role of govt. - To protect citizens*  
*Tackling Anxiety - Maintaining the Public's Confidence and Our High Quality of Life*

The events of September 11, 2001 changed our lives for the foreseeable future. We now must be prepared for terrorist attacks in the mainland USA. Protecting the public's health and safety is the primary role of government. We must ensure we are adequately prepared to protect the public, engender the public's confidence and maintain our quality and style of life.

### Structural Budget Balance

The hallmark of the Ventura Administration is tough fiscal management that holds spending within our means and maintains the long-term fiscal health of the state. This position will not change in recessionary times. We will maintain a structurally balanced budget, a AAA bond rating and make necessary re-allocations and reductions in the state budget as we adjust to the downturn in the economy.

### Single House/Legislative Reform/Redistricting

#### Capital Budget

- Asset Preservation - *move money in the economy quickly*
- Roads & Bridges
- (Northstar)

During this time of security and fiscal concern, we will focus our resources on maintaining the base infrastructure of the state. Our capital budget will place heavy emphasis on asset preservation. We will also make strategic investments in roads, bridges and rails systems to bolster our transportation network.

Northstar Rail Corridor - *Capitol to get federal match*

The development of the Northstar Rail Corridor will ensure that the state continues to diversify the range of transportation options in Minnesota. This project will increase transportation options in an increasingly congested transportation corridor as well as helping to guide growth in a manner that maximizes the use of state and local resources.

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*Laura Billings - article - wk of Nov. 4*

**Agenda**  
**Advisory Group Meeting**  
Monday, November 19, 2001  
9:00 a.m.  
Governor's Residence

- I. The Next Agenda - Brief Remarks [S. Bosacker]
  
  - II. Advisory Group Thoughts & Recommendations [All]
    - A. State Leadership During a Time of War
    - B. Being Governor in Recessionary Times
    - C. Media As A Solution; Not a Problem
  
  - III. Anything Else On Your Mind? [All]
-

## Breaking New Ground

### Will do ...

Joint Task Force on Health Costs and Quality  
Institutionalize Results Management  
Realize Workforce Development Reorganization  
Review of State's Environmental Review Process

*Health cost + quality - Jan + Michael*

### May do ...

A New Redevelopment Tool  
Supportive Housing

Supportive housing is permanent, affordable housing linked to the support services that enable residents to live independently and lead successful lives. Supportive housing, which reforms the way we deliver services and housing to the hardest-to-serve families and individuals, shows promise in improving outcomes for people and reducing public spending. This initiative is a multi-agency, structural reform effort that will propose program and regulatory changes and innovations that will promote the development of supportive housing.

Civil Service/Human Resources Reform

- Labor-Management Issues

Higher Education Perennially-Unaddressed Issues Commission

Making Minnesota Greater: Fully Tapping the Potential of New Immigrant Communities

### Long shot ...

Further State Government Organizational Changes

Government and its structure must evolve to meet the times. The Ventura Administration will continue to integrate programs across agencies and combine agencies when warranted. In a time that demands faster reactions and greater vision, no statute, policy or structure is sacred. We remain dedicated to service, not systems.

Drug Law Changes

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## The Way We Work

Governor's Relationship with State Employees

Minnesota Moderates

(In a Divided, Chaotic Year)

Media As A Solution; Not A Problem

Keeping TEAM First & Foremost –

Lock on No Silos/Cross-Collaboration

Avoid Separation – Insular Tendencies of End of Term

No New Walls. No Maverick/Rogue Mentality

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## Dilemmas

### Long-Term Transportation Funding Solution

### Technology Funding

In a time when Northwest Airlines has a national reservation center in Hibbing, Minnesota and when India is a primary international source for contract software development, portions of Minnesota do not have the technology and telecommunications infrastructure that is needed to provide baseline services to citizens and businesses. Minnesotans' ability to connect to the information superhighway is directly related to Minnesota's ability to compete economically. We have not been able to change the face of technology access and telecommunications services in our state. This gap is an ongoing concern for the Ventura Administration.

### Solving Our Biggest Environmental Problems

The most significant industrial source of pollution is electrical energy production, which becomes even more important as demand increases requiring new electrical generation facilities. However, more than two-thirds of air and water pollution now comes not from factories and cities, but from what are called non-point sources (vehicles, run-off from ag land and urban land, two-stroke engines, gas pump fuel evaporation, etc.) New technology can help address some of these problems, as well, but the transition from current technology can take long periods of time and cost significant amounts of money.

### K-12 Accountability

Accountability and achievement remain the cornerstones of the Ventura administration's principles for the best K-12 public education in the nation. Having successfully supported numerous accountability provisions-ranging from meaningful definitions of class sizes, to comprehensive web sites providing improved public access to local academic and financial information-we have set the stage for linking public investments in relation to improved teaching and learning. The Next Agenda for K-12 Accountability will include building upon academic initiatives such as graduation standards and statewide testing, and simpler and fairer financing and taxation formulas. As we collect and share better information for future policy decisions, we anticipate defending against attempts to weaken or circumvent new reforms that challenge the K-12 status quo, such as structural balance and alternative compensation.

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# STATE OF MINNESOTA


OFFICE OF GOVERNOR JESSE VENTURA

130 State Capitol • 75 Constitution Avenue • Saint Paul, MN 55155

November 16, 2001

## FACSIMILE

To: Peter Bell, (651) 213-4542  
Joanne Benson, (651) 726-2103  
Reatha Clark King, (763) 764-4114  
Tim Penny, (507) 835-7680  
Emily Anne Staples Tuttle, (952) 473-9120

From: Steven Bosacker   
Chief of Staff

Re: *Advisory Group Meeting on Monday*

Pages: 7 with cover

Attached is the agenda for our meeting on Monday, November 19<sup>th</sup> at the Residence. Items I and III on the agenda will be very brief, with the focus of our discussion on item II. Please come prepared with your thoughts and recommendations on leadership during a time of war, during a recession, and in relation to managing the media.

If you have any questions prior to Monday, don't hesitate to call me at home this weekend, (612) 824-3472. Thanks as always for your interest and candid input.

# The Next Agenda

DRAFT  
CONFIDENTIAL

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The

Public

Strategies

Group

November 19, 1998

Emily Anne Staples Tuttle  
1225 Shoreline Drive  
Orono, MN

Dear Emily Anne:

I want to add my voice to the chorus of both congratulations that must be pouring in with the announcement of your appointment to Jesse's advisory team. I am impressed with the breadth, diversity, and deep experience the team possesses.

You might interpret this as a marketing package, but my motives are actually somewhat more pure than that. Sure, The Public Strategies Group would love to continue to do more work with the State of Minnesota. Yet PSG sends you these materials in the spirit of a group of Minnesotans who want to contribute in any way we can to the mix of ideas that you are considering, whether we get credit or not.

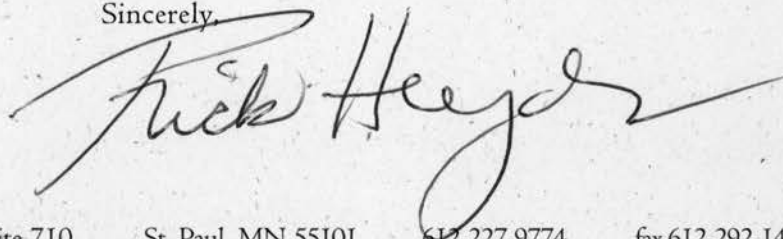
Enclosed is my partner, David Osborne's most recent book. Also enclosed is a workbook that Peter, Armi, David, and I have used in introducing and applying these ideas to many government agencies across the country at the federal, state, and municipal level. These include the following state agencies and Governor's workshops.

|           |   |
|-----------|---|
| New York: | Office of Mental Health                 |
|           | Office of Substance Abuse and Alcohol   |
|           | Office of Medicaid Management           |
|           | Office of Insurance                     |
|           | Department of Education                 |
| Illinois  | Department of Children and Families     |
| Louisiana | Governor's Council on Customer Service  |
| Missouri  | Commission on Management & Productivity |
| Nebraska  | Innovations Council                     |
| Vermont   | Performance Restructuring Task Force    |

We have found great receptivity for these ideas from both sides of the political aisle. It matters not whether you a Republican, Democrat or Reformed Party; the only requirement is that you have the courage of your convictions to dramatically improve public services. We are currently working with more Republican administrations than Democratic ones.

If any of these ideas strike a harmonious chord and you would like to discuss them further, we would jump at the chance. As folks who live, work, and play in this state, we are glad you're "on duty." Best of luck.

Sincerely,





## INDUSTRIAL HEMP

Fox Emily-Ann.

### CAN BE USED FOR (ESTIMATED 25,000 USES):

|                        |                     |               |
|------------------------|---------------------|---------------|
| textiles               | rope                | carpet        |
| tarps                  | paper               | fiberboard    |
| insulation             | cement blocks       | stucco/mortar |
| food (oils, margarine) | paint/varnish       | inks          |
| fuel                   | solvents/lubricants | putty         |
| animal feed            |                     |               |

### DIFFERENCES BETWEEN INDUSTRIAL HEMP AND MARIJUANA:

| Industrial Hemp            | Marijuana                     |
|----------------------------|-------------------------------|
| 300 plants per square yard | 1 or 2 plants per square yard |
| less than .3% THC          | 3-10% THC                     |

### ENVIRONMENTAL BENEFITS:

Saves trees -- since 1937 about half the forests in the world have been cut down to make paper

Improves recycling -- because of the strength of the fiber it can be recycled several times more than paper made of wood

Reduces reliance on petroleum -- can be used in paints and solvents, as fuel, for plastic manufacturing (and is biodegradable)

Requires no herbicides -- it grows so fast it chokes out the weeds

Requires no pesticides -- in U.S. about half the pesticides used today are sprayed on cotton

Improves the soil -- deep roots aerate the soil & non-fiber plant parts add soil nutrients

### OTHER SUPERIOR QUALITIES:

Twice as strong as wood *Fiber*

High-protein, versatile food source (easier to digest than soybeans)

*Fiber* Yield per acre several times higher than trees

Fast maturity (70-100 days versus many years for wood pulp/fiber)

Paper resists decomposition & will not yellow

Eliminates the need for chlorine bleaching because of low lignen content

Stronger & more mildew resistant than cotton & keeps the wearer cooler in summer & warmer in winter

### POLITICAL CLIMATE:

U.S. Drug Enforcement Agency refuses to grant permits to grow industrial hemp on the theory that it will be more difficult to enforce marijuana laws. (However, from 1993 to 1997, 99.1% of the 1.5 billion cannabis plants destroyed by the DEA were industrial hemp that grows wild, not the marijuana variety.)

Farm Bureau passed resolution supporting industrial hemp

International Paper, among others, formed the North American Industrial Hemp Council in 1996. It now includes members from 3M & the National Corn Growers Assn.

Supported by Governor-elect Ventura, Senator Roger Moe, some House republicans and agricultural interests. Legislative authors on industrial hemp bills include Charlie Berg, LeRoy Stumpf, Loren Solberg & Steve Wenzel.

Dr. Rapido



To: Dean Barkley  
Tim Penny  
From: Emily Anne Tuttle  
Date: November 30, 1998  
RE: TRANSITION THOUGHTS

In the almost two weeks since the announcement of the names of the transition advisory committee I'm sure I'm not alone in having a stuffed mailbox and an overloaded phone answering machine – not to mention the advice of those who caught me in person.

I'd like to suggest that one of the items on Wednesday's agenda be how we bring to the attention of the administration-elect these recommendations.

Some are offers of volunteer help, some are job seekers and some are recommendations of how to do the business of government such as judicial selection or filling commissioner positions.

For me to be effective, and I'm sure I speak for the others as well, we need to know how to respond when asked how we are advising the governor-elect. I'd be delighted to help work on the process if that would help, but for us to have credibility I think this issue needs immediate consideration.

On another note: K-12 education is not an area of my expertise so I will seek out some others who have studied it.

However, an area with which I am very familiar is the need for Minnesota to maintain a strong position with international trade and for the governor to have a process for meeting international dignitaries. The Ambassadors of Great Britain and France are scheduled to be in Minnesota during the first half of 1999 in addition to representatives of many other countries. Having just stepped down as chair of the Minnesota International Center I'd be happy to assist the Governor's office in this area of representing the state as international visitors request time on his agenda.

Just one more thing to think about! Look forward to seeing you Wednesday.

To: Steve Bosacker  
Dean Barkley  
Tim Penny

From: Emily Anne Tuttle

Date: November 23, 1998

RE: SOME THOUGHTS ON TRANSITION

Last Friday, Saturday and Sunday I spent in Washington DC at a meeting of State Humanities Commissions. The focus was on democracy and encouraging citizen participation – not just in voting but in public discussion. Minnesota as mentioned often!

1. One theme was the power of storytelling as a way of illustrating themes – Ronald Reagan being the master. As the governor-elect works on his priorities for his term of office and the legacy he wants to leave he might want to visit with some storytellers from different traditions – Navajo, Hmong, Spanish, German. Help in doing this could come from the Historical Society.
2. An area of immediate need is an excellent scheduler. Maybe that has already been done but I have received several requests to encourage acceptance of requests for appearances and speeches.
3. PR advice and a plan to avoid the cost of transition pitfall. By and large the media has been good, but a meeting with editorial boards as soon as a theme and priorities are determined would smooth the path. Stick to two or three key messages.
4. Process and timing for appointments. Prioritize, there are hundreds but very visible ones like MAC chair, Met Council, judges, and of course commissioners of departments need to come early.
5. Decision about the residence, help for Terry as she moves into the new role.
6. I've received several calls from people, some of whom would like to volunteer, others who would like to be considered for jobs. How do we funnel those in and evaluate them compared to others?
7. Any movement on Jesse action figures? I've had a few calls suggesting they would be a good fun(d) raiser or an inaugural souvenir.
8. Don't lose the sense of humor amid the pressure!
9. I'm available whenever you need me.



JESSE VENTURA  
GOVERNOR-ELECT

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR-ELECT

(651) 297-9500  
ST. PAUL, MN 55155

ROOM B5  
STATE CAPITOL

For immediate release:  
Tuesday, Nov. 17, 1998

Contact: Teresa McFarland  
651-297-9513

**FUND WILL BE TAPPED TO PAY FOR GOVERNOR-ELECT'S  
TRANSITION EXPENSES**

St. Paul, MN -- Steven Bosacker, Governor-elect Jesse Ventura's Transition Chief of Staff, said today the transition team will use a State of Minnesota gift account to fund the transition.

"Past governors, faced with limited funding for transitions, looked to either the gift account or accessed excess campaign contributions," said Transition Chief of Staff Steven Bosacker. "The gift account is open to any individual who would like to contribute and ensures all contributions will be channeled through the State of Minnesota."

Money contributed by individuals, businesses and organizations will help the transition team pay for operational items such as postage and phone bills, the planning and execution of activities related to the Governor-elect's schedule, and modest salaries for staff members who are working work full-time to plan budgets, legislative agendas, communications and more.

"It's a little known fact that state government doesn't set aside much money for a

--more--

-2-

new governor to get the administration up and running," said Bosacker. "The day we walked into this office, there was less than \$30,000 available for the transition team. The Carlson Administration did a great job of preparing background materials and our office space -- but office set-up alone can be very costly."

Bosacker said he has received numerous calls from businesses offering financial and other assistance during this transition period and while he welcomes their contributions, he wants to open it up to citizens around the state.

Bosacker said according to the Governor-elect's wishes, contributions, including business offerings, will be limited to no more than \$2,000. He hopes to raise between \$150,000 and \$180,000, which is comparable to the amount spent by Governor Carlson's administration in 1990.

"In some ways we have been challenged even more than past administrations because of the extremely high level of interest in Governor-elect Ventura," Bosacker said. "We've received thousands of calls and letters from individuals, businesses, organizations and media -- it takes money and staff to respond to these people and to put together serious plans and policies to be effective the first day the Governor-elect and Lieutenant Governor-elect take office."

Checks or money orders should be made payable to the State of Minnesota Transition Account and mailed to the Department of Administration, 203 Administration Building, 50 Sherburne Avenue, St. Paul, MN 55155. All contributions are tax deductible.

# # #

**Minnesota WOMEN'S CAMPAIGN Fund****FAX Number: 397-9725****FAX Transmission Cover Sheet**

TO: MWCF Board Members

DATE: 11/16/98NUMBER OF PAGES: 1

If incomplete, please call 612/ 904-6723.

We have a historic opportunity to recommend appointees to the Ventura administration who believe as we do in equal representation by and for women and in the right to privacy in reproductive decisions.

MWCF is compiling a list of prospective appointees to send to the Governor-Elect and we'd like to know your recommendations.

Send names of qualified prospects to MWCF no later than Monday, November 23. You can fax them to 612/397-9725, or mail to:

MWCF  
112 N. 3rd St. #203  
Minneapolis, MN 55401

I will be working with Shirley Nelson to review your recommendations.

Thanks for all you do for women.

Mary 612/904-6723



**American Red Cross**

**Marian S Adcock**  
Chief Executive Officer

December 3, 1998

Dear Emily Anne;

I was just delighted to see that you  
have been appointed to be a member of  
the Governor-elect's transition team. The Governor-  
elect has chosen well in selecting you.  
Congratulations.

Sincerely,  
Marian

p.s. In the world of small coincidences, Lt. Gov.  
Joanne Benson and I are "related". Her  
husband and my husband are cousins!  
I see that you are serving together on the  
transition team. Again, congratulations!





7661 Bush Lake Drive  
Bloomington, MN 55438

Phone • 612/942•6900  
Fax • 612/942•6902

December 4, 1998

Emily Ann Tuttle  
1225 Shoreline Drive  
Wayzata, MN 55391

Dear Emily Ann:

Congratulations on your new opportunity with our new governor. I was pleased to see that you were part of an auspicious group that will help Jesse Ventura and Minnesota make the transition to a new administration. I know you have your work cut out for you but I think it is exciting and encouraging to think that we have a governor who is willing to consider such a broad range of opinions and consult such a diverse group for ideas.

I am writing to put in a good word for Kit Hadley at the Minnesota Housing Finance Agency. It seemed to me that MHFA was stuck in a reactive mode for a few years before Kit took over as Commissioner. She brings intelligence, understanding of the issues, commitment and a strong sense of partnership to the Agency. I believe that Kit and her staff are working hard to continue to improve the ways that MHFA facilitates the creation of housing in Minnesota. If you have the opportunity, I would urge you to encourage Mr. Ventura to keep Kit Hadley in place as the Commissioner of MHFA.

If there is any way that I can be of assistance on this or other housing issues, please do not hesitate to give me a call at 942-6857.

Sincerely,

Colleen M. Carey  
President

Marion Etzwiler  
1235 Yale Place - #309  
Minneapolis, MN 55403-1944  
Telephone and (Fax) (612) 333-2036  
(612) 333-2035

Dear Em —

I'm enclosing a copy of the letter I wrote to Tim Penny. (Leaving time - I'm leaving for St. Louis today for the Planned Parenthood Federation annual mtg.). Please take a good look at Judy Pinke's resume. She is really good. I am recommending that she be seriously considered as Commissioner of Transportation. She is highly qualified. I am very impressed by her.

Thanks, Em! It also gives me comfort to know you are on the Team.

As ever,  
Marion

December 1, 1998

1765 Medina Road  
Long Lake, MN 55356  
November 30, 1998

Dear Emily Anne,

Again, congratulations on your appointment to the Governor-elect Ventura's transition staff! We are very fortunate to have someone of your calibre so willing to be involved in serving the public. Thank you.

I have enclosed a copy of my resume to give you a better understanding of where you think I may be of help. When I served on the Governor's Health Care Access Commission I learned a great deal about how to listen to and understand the needs of the citizens of Minnesota. After the Commission ended I continued as a voluntary lobbyist for about a year. The Commission and lobbying work was a tremendous experience.

I am interested in helping Governor-elect Ventura either in the area of education or health and am willing to serve in a volunteer capacity, if needed. Thank you for keeping me in mind.

I did speak with Lynette Fischer, Mark Dixon's secretary, this morning about the issue of patient care and she said that she definitely would have Mark follow up on it. Thank you for bringing it to our attention.

Very truly yours,

Martha A. Van de Ven

# courage

WHERE ABILITIES AND DISABILITIES BECOME POSSIBILITIES

November 23, 1998

## FAX MEMORANDUM

TO: Emily Anne Tuttle

FROM: Mary Schoessler

RE: Jesse/Courage Cards Opportunity

Emily Anne:

- a) Congratulations on your new assignment
- b) You never stop exemplifying "cutting edge", do you?
- c) I guess lunch will have to wait until you're through transitioning
- d) Happy Thanksgiving
- 4) And yes, I too, am here repping a "Jesse deal"

Courage Cards has a winter-scene painting of the Minnesota State Capitol done by artist David Riebe of Burnsville. David has macular degeneration and is approaching blindness. Courage Center received a phonecall from Ed Bende of the Deck the Walls store at the Mega Mall after he had talked with Dave Riebe about this idea.

We would like to take the Minnesota State Capitol painting and convert it into a Gubernatorial Inaugural Commemorative limited edition print, numbered and individually hand signed by Jesse and the artist. Bende believes it would be a much sought after item for the holidays and for the inauguration. He is willing to cover all of the production costs. All proceeds would be donated to Courage Center. Of equal interest is the fact that the press sheet has space to produce a card, so we could run personal holiday/new years/inauguration cards for Jesse and his family with whatever message they wanted inscribed at no cost. We have contacted the artist and he has agreed to the use of his art without charge and the signing concept, however, we would have to number the prints for him because of his vision impairment. Bende recommends a limited edition of 500 at \$150 a print or an edition of 1000 at \$125 a print to keep the value up.

Riebe is leaving for California on December 13 so he would need the prints prior to that for signing (Jesse could sign after). We have contacted the printer to determine if a production schedule could be met-- it can if Jesse gives a quick approval turnaround, ideally by November 26. We asked Riebe what he would want for use of his work and he said he would just like five prints, one to give to each of his children.

So, I'm looking for a quick yes or no, and if it's a yes, a contact person. The only thing we would need from Jesse is 1) a card message if he wants to take advantage of the free cards, 2) his time to sign the print (estimated 1 1/2 hours for 500 prints, 3 hours for 1,000 prints (based on Terry Redlin's signing time). Courage Center would handle all other operations details. I understand Jesse is familiar with Courage Center's services with some family involvement several years ago. So, there are some nice win-wins in all of this...

Give me a call (320-0257) or a fax back at my home office 926-9930. As always, many thanks!

COURAGE CENTER 3915 Golden Valley Road Minneapolis, Minnesota 55422

612 588 0811 phone 612 320 0577 fax 612 520 0245 tdd

FYI  
Emily Anne -  
I sent a similar  
fax to Steve Bosaker!  
MS



Nov. 27<sup>th</sup>

Dear Emily Ann -

Enclosed is an  
unofficial copy of  
Hennepin's response to  
DHS on its HCFA waiver  
proposal for MEDICAID  
pilot projects for  
persons w. disabilities.  
It is incomplete at best.  
I understand DHS will  
be submitting it Dec 18<sup>th</sup>  
w/o our support or  
review of the completed  
document.

They are hoping  
to proceed before this  
issue hits the new  
administration's  
attention.

Will be sending it  
formally to the  
transition w. a cover  
letter from Randy  
this week and will  
email you more  
details.

Hope you had a  
great holiday  
weekend! Barbara





# Hennepin County

*An Equal Opportunity Employer*

November 24, 1998

Ms. Jan Kooistra  
1115 Waiver Amendment Coordinator  
Department of Human Services  
444 Lafayette Road  
St. Paul, Minnesota 55155-3852

Dear Ms. Kooistra:

On behalf of Hennepin County DPPD, we appreciate this opportunity to comment on the Department of Human Services (DHS) DPPD Sections of the Draft 1115 Waiver Amendment. The HC DPPD staff are encouraged that DHS is soliciting public comment on this document as we feel it is important to encourage input from interested stakeholders as the planning and implementation processes continue.

Hennepin County fundamentally believes counties are in the optimal position to design creative, integrated, and enhanced programs for Medical Assistance (MA) recipients with special and/or complex needs.

Hennepin County steadfastly holds that DHS, through a HFCA waiver, should grant counties the right of first opportunity to act as the Managed Care Organization for persons with disabilities, as defined in the Balanced Budget Act of 1997, and permit wide choice at the provider level rather than at the plan level.

Unfortunately, the Draft Waiver Amendment Document is incomplete; missing many cross-referenced appendices, which has limited our ability as a planning county to respond to a number of areas. It is assumed that the missing information will be made available to the stakeholders, including the planning counties for a more comprehensive review. Given the noted limitations, this cover letter contains general comments and the attached summary report will provide you more detailed comments.

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**Adult Services Department**

A-1600 Government Center  
300 South Sixth Street  
Minneapolis, MN 55487-0166  
(612) 348-9229 FAX: (612) 348-5173 TDD: (612) 348-6169

*Recycled Paper*

### General Comments

In our specific response to this waiver document, Hennepin County has several overarching areas of concern:

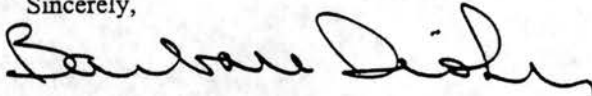
1. The document lacks a clear statement addressing the respective roles and responsibilities of the CA (county authority) and CAE (county administrative authority) and the relationship between them. These terms are used interchangeably and inconsistently.
2. The document lacks clear recognition that counties have multiple roles both currently and potentially under the DPPD:
  - Provider of services (direct or operated service provisions ranging from clinics to case management services);
  - Purchaser of services (currently contracting with community-based service providers; under DPPD, potentially contracting with providers and various forms of managed care entities through a CAE); and Administration of programs on behalf of the state (e.g. eligibility, enrollment).
3. The document does not indicate that DHS' proposed payment policy be aligned with the risk adjustment work being carried out by MDH's Health Economic Program<sup>1</sup>. There should be sufficient flexibility built into the "Risk-Sharing Split" proposal (G-41) to accommodate additional work being done on risk adjustment.
4. The document includes a section on Public Guardianship and references the topic in other sections. This topic is not directly related to the DPPD.
5. The document is vague regarding the distinction between service coordination and case management.
6. The document does not clearly define and address the concept of "choice."
7. The document does not address the administrative costs to counties for the DPPD.

Hennepin County's review of the document resulted in many unanswered questions. Given the missing sections and missing cross-reference attachments in the document there are additional concerns and the

potential for many more unanswered questions. Hennepin County requests that this document be redrafted for public comment and review prior to submission to HCFA. Additionally, as a relatively new planning county (September 1998) Hennepin County has had limited access to much of the information made available to the demonstration sites that were used as input into the development of this document. Since much of this input and dialog has established the framework for the Phase 2 overall state waiver, there is concern that it may serve the needs of the rural demonstration sites well, but not be as transferable to the a large urban area such as Hennepin County. As this initiative move forward, it is hoped that Hennepin County and Itasca will be permitted to be at the table with the demonstration sites to address needs of all Minnesota's disabled populations. More direct involvement in its development is critical.

Please direct questions about these general comments or the summary report to Hennepin County DPPD Initiative (348-2200, TDD 596-6758).

Sincerely,



Barbara Dröher, Director, Adult Services Department  
Chairperson, HC DPPD Executive Team

Enclosures: Draft Waiver Amendment Summary Feedback Report

C: Mr. Doth, Commissioner, MN Department of Human Services  
Ms. Mary Kennedy, Assistant Commissioner, MN Department of Human Services  
Ms. Elaine Timmer, Assistant Commissioner, MN Department of Human Services  
Ms. Holly Kelly Branch, Project Manager, MN DPPD  
Mr. Troy Mangan, DHS Liaison to Hennepin County, MN DPPD  
Mr. Engstrom, Assistant County Administrator, Hennepin County  
Dr. James Baxter, Sr. Manager, HC DPPD Leadership Team  
Dr. Sanders, Director, Children and Family Services  
Ms. Zuidema, Director, HC Community Health

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<sup>1</sup> Gifford, Greg, et.al., Evaluating Functional Forms for Risk Adjusting Capitation for People with Disabilities, February 24, 1998.

**Hennepin Comments (11/24/98)**  
**Draft Minnesota Care Health Care Reform Waiver**  
**1115 Waiver Amendment Request Phase 2**

**Demonstration Project for People with Disabilities**

**Executive Summary**

Paragraph 4 (page v) references that “under the project county authorities will be responsible to provide or otherwise purchase a comprehensive package of acute and continuing care services for each enrollee, including social services and other safety net services traditionally provided by counties.” The language “be responsible to” is not consistent with the MA benefit set and the provisions specified in sections (page G-1), which clearly indicate “will have the opportunity to” and (page G7) “may provide or otherwise purchase..”.

The intent of the last sentence of paragraph 4 (page v) is also unclear. What specifically is meant by “not contracted for by the county authority”? As stated in the body of the Draft Waiver Amendment Document, the State is supporting counties directly providing services as well as contracting out services. Thus, the concern is what “options” is the state proposing in this clause?

**Section G1 Vision and Philosophy**

**G1.1 Vision**

Paragraph 2, last sentence restates the concern noted above, “The State may contract with service delivery organizations to provide portions of the benefit set not contract for by the CA.”



This statement should be modified at the discretion of the CA, if they so choose not to provide or contract for all of the services specified in the MA Benefit set.

Paragraph 3, first sentence states: "The project will permit the State and counties to develop managed care strategies which reflect collaboration and coordination of roles". The statement would be stronger and demonstrate a real commitment by the State to a county partnership by adding language that commits to making every effort to examine and eliminate or minimize redundant DHS reporting requirements for the DPPD target populations. One of many examples includes the Community Mental Health Reporting System, which captures the same data in different formats as required under a number of the proposed DPPD requirements.

#### **G.1.2 Goal**

Sentence 1 clearly references "... improve the effectiveness and efficiency, increase flexibility in the delivery of services, improve coordination between acute and continuing care, service to enhance the quality of care, and create fiscal incentives for serving persons with disabilities". The counties support this DPPD goal. Unfortunately, this goal is modified in the next sentence, indicating this project's purpose is to test managed care strategies by limiting funding to historical expenditures as a base payment. Although the counties have been apprised of the "cost neutrality" requirements of this initiative, there is concern that the opportunity statements noted above assume that the fee-for-service system has adequately addressed the needs of disabled individuals and that historic expenditures are the appropriate benchmark for developing and maintaining a care management system. Based on discussions with DHS staff and others around the country, it is clear this is a limiting assumption. The state is urged to dedicate some

of its proposed program evaluation funding to assessing the quality, efficiency, and effectiveness or lack of same of the current fee-for-service system as a benchmark for the DPPD's impact.

## **Section G2 Background and History**

### **G.2.1 History**

Paragraph 1: It appears that the reference to a January 1999 (PMAP) rollout is incorrect. The implementation date has been delayed and is called, per DHS advisory, the Enhanced PMAP (EPMAP) initiative.

Paragraph 4: The distinction between "demonstration" and "planning" site is not specified. Based on current operating practice, the role of the planning sites is quite limited and needs to be clearly spelled out for HCFA and local stakeholders using this document. Specifically, addressing the expectations and limitations (i.e., input, collaboration, and funding) of the planning sites is requested.

### **G.2.2 Planning Process and Stakeholder Involvement**

Paragraph 2: Reference is made to Appendix G-8. This is not included in the Draft Waiver Amendment Document.

Paragraph 4: It should be noted that the Robert Woods Johnson grant and Self-determination Initiative provided financial support to the demonstration counties only.



### **G.2.3 Demonstration and Planning Sites**

It is suggested that the "standard criteria" for approval of the planning sites be included in the Waiver Document along with information on both Itasca and Hennepin counties. Specifically, referencing inclusion of a large urban site and Itasca's long history in care management.

### **Section G3: Demonstration Design**

#### **G3.1 General Design Parameters of the Project**

Paragraph 1: Reference is made that "the demonstration project would operate for a minimum of 3 years"? Is this a HCFA, DHS, or demonstration county specification? Queuing up for this type of effort, with an anticipated 18-month start-up enrollment protocol, suggests the project would still be in the early stages of implementation through the middle of Year 2. Paragraph 2, last sentence: As noted, the language "contracted or provided" needs to be inserted.

#### **G.3.21 State Role**

Paragraph 1: "Under DPPD, ... and will delegate designated purchasing functions to the county authority via intergovernmental contracts." What is "designated" or proposed to be "delegated" is not referenced in this document.

Under the role of DHS Healthcare Administration, a number of functions are designated. It is unclear whether these functions are totally under the purview of DHS Healthcare Administration or operate under DHS Continuing Care Administration. Clarification is requested.

With regard to the bullets in this section, without the benefit of definition, a number of these appear redundant. Specifically references to statewide quality improvement, utilization review, and consumer satisfaction analysis; program evaluation; and quality assurance and improvement oversight. Definitions of what is meant by these descriptors would be helpful.

### **G3.22 County Role**

Paragraph 1, sentence 2: Under the current arrangement, the county is permitted to run enrollment and advocacy services through a county department which is administered separately than county health care services. DPPD, counties will retain... and recipient advocacy. This statement does not appear to be consistent with language contained in later sections of this Draft Waiver Amendment Document dealing with advocacy.

Paragraph 2, Sentence 1: Although specified in Statute, the language is unclear regarding the degree to which the CAE must "operate separately from other county administrative functions".

Paragraph 3, Blank Bullets: The traditional role of counties appears to be reduced to one of MA administration of eligibility determination and access to advocacy services. This section needs to reflect the reality that counties have been delegated many major responsibilities including the public health of its residents, establishment of a mental health authority, developmental

disabilities/mental retardation operatives, and responsibility for chemical dependency initiatives which include MA funding.

### **G3.24 Department of Health Requirements**

Sentence 2: "See reference to Appendix G-9 for the specific requirements under these chapters with which the county authorities must comply" were not included in this Draft Waiver Amendment Document.

This section fails to mention that only a licensed HMO or CISN can receive prepaid Medicare funding. Since upwards of 40% of the potential enrollees into the DPPD system are Medicare Dual eligible individuals, addressing Medicare funding is an integral part of the DPPD system, which has not been adequately addressed.

### **G.326 Integration of Funding**

Paragraph 2, second sentence: "Any savings beyond those allowed for the CA, CAE, or service delivery organization..."? Are "allowances" those specified in MN HMO regulations?

### **G3.31 Contract Process**

The reference to issuance of an RFP in October is incorrect. Per DHS liaison to Hennepin County for the DPPD project, the RFP will not be issued until December 1998.

### **G3.32 Contract Specifications**

These citations imply a fully developed document that is not included in the Draft Waiver Amendment Document. This issue was addressed on July 9, 1998, and continues to be a major concern.

### **G3.33 County Authority Subcontracts**

Paragraph 2, sentence 2: "The RFP must substantially contain..."? Determination of a review process to ensure conformance is not referenced.

### **G.3.4 Covered Populations**

#### **G3.41 Mandatory DPPD Eligible Populations**

This section needs to reference the operational definitions for the established use with MMIS II data (Operational Definitions for Use with MMISSII Data used to plan for and implement the DPPD, Final Edition, March 27, 1998). These operational definitions purport to use MN Statutes as a foundation and appear to address the criteria bullets referenced on pages G-13 and G-14. It is imperative that the operational definitions be included in this section or referenced in appropriate appendix for HCFA review. If these definitions are not consistent with the "covered populations" referenced in this section, then planning data provided to the demonstration counties and purchased by at least one of the planning counties may be seriously flawed placing these counties at risk.

Bullet 3 on page G-14 indicates other recipients may be included at the option of the CA, based on agreement with DHS (subject to a request to amend this waiver). This statement appears inconsistent, so long as the population served is not drawing down MA Capitation funding why would an additional waiver request be necessary. If this implies that consumers funded through other funding streams be segregated from those in the DPPD, this situation would be prejudicial and unacceptable.

#### **G3.45 Residents of Institutions for Mental Diseases**

No reference or guidelines for the purchasing IMD services have been provided.

#### **G3.46 Dual Eligibles**

Enrollment to capture Medicare co-payments and deductibles is only one part of the challenge working with this population. Since upwards of 40% of the potential enrollees into the DPPD system are Medicare Dual eligible individuals, addressing Medicare funding is an integral part of the DPPD system.

#### **G3.47 Application of Excluded Time Status**

This language is different than current MA policy and places an extra burden on DPPD counties. Under current MA policy, if someone is in an excluded time facility in another county, the county of financial responsibility is responsible until the person has resided outside of the facility for two months. This section adds another 30 days of financial responsibility upon DPPD counties. It is strongly recommended that DPPD policy requirements mirror the MA policy requirements.



The references in this section refer to MA policy and are not equivalent to existing social service policy. Residency rules under social service policy apply to any property taxes or other funds supplementing an individual in care and are different than MA policy. As written, there is a potential for huge cost shifting to DPPD counties.

### **G3.49 People with Spenddowns**

#### **G3.492 Proposed Modification under DPPD**

This section allows for a "grace period" for clients who fail to pay their spenddown. Assuming the CA will continue to receive PMPM payment for the entire "grace period" and this accounting function is handled by the state, this is acceptable. If this language means the CAE is at risk for the capitation payment for the grace period and/or responsible for the accounting function, this would pose an unfunded burden to counties operating a DPPD.

#### **G3.52 Administrative Services**

This section states "pending" and is an area of concern. This is a critical area of concern that needs to be completed and made available for public review.

#### **G3.53 Home and Community-based Service Waivers**

Paragraph 2: The values expressed in this section for the inclusion of waived services within the DPPD is supported. However, there is major concern in regard to the handling of persons currently on waiting lists and the allocation of "unmet need" expenditures into the base or an



adjusted Capitation rate prepared for the counties. This issue is akin to the adjustment proposed for use with "dental care".

### **G3.54 Alternative Services**

Although the Personal Support Plan is conceptualized as the vehicle of choice for coordinating services for an individual, in practice this tool may not be robust enough to use to "preauthorize" all possible services. Especially "additional" services which may be provided outside of MA funding (e.g., homemaker/chore or vocational services). As such this language is too restricting and appears to exceed the jurisdiction authority of the state.

This section does not mention creative waiver options such as the "cash and counseling benefit" which would allow clients to get cash grants and purchase services directly. It is recommended that DHS clarify any constraints it has on the use of alternative services.

### **G3.55 MN Commitment Act and Medical Necessity**

The obligation of the CAE for commitments was communicated through the DHS Finance and Data Committee and indicated that the CAE would be responsible for a total of 45 RTC days per contract year. This section does not reflect this understanding. Further the language is unclear with respect to the CAE's options for commitment to community-based mental health programs. Specifically, the use of "in-plan" community-based mental health programs.

### **G3.611 Choice of Providers**

This section does not clarify the concept of choice. "The CA shall permit enrollees to choose from among network providers...". The term "network provider" is new to this document and not defined. Hennepin County, like the demonstration counties and other planning counties, proposes to be a CAE and is also a provider of services. A CA will establish a CAE that will function as the purchaser of services. As a CAE, it is assumed that it may contract with county directly operated programs and community based providers thereby giving consumers "choice" at the provider of care level. It is clear that the consumer needs to have choice of provider, and the provider needs to be culturally and linguistically appropriate. Is this interpretation of this section correct?

### **G3.612 Choice of Service Delivery Organizations**

Under the DPPD legislation the State has already granted select counties the right of first opportunity to act as the CAE for people with disabilities, and permit a wide choice at the provider level rather than at the plan level. Where a county operates its own HMO or CISN it is assumed that this section permits operating as a CAE and contracting with other such entities, including risk-bearing organizations, to offer enrollees choice.

Paragraph 1, last sentence (page G-20): "Enrollees shall be given opportunities to change enrollment in these **health plans** within 12 months...". This language continues to use the term health plans, ignoring other options such as enrollment in care systems. Further this section proposes specifications inconsistent with PMAP regulations. It is recommended that both the wording and the inconsistency be addressed.

### **G3.62 Consumer Education and Enrollment**

This section mirrors the PMAP requirements of counties and should be stated as such. Being under the supervision of the state and supported by separate funding, this section needs to clearly present information as a requirement outside of the scope of the CAE.

### **G3.63 Consumer Advocacy and Ombudsman Services**

#### **G3.631 Ombudsman Services**

This section calls for the elimination of county PMAP advocacy systems. According to DHS, Hennepin County has an outstanding advocacy record for PMAP clients. Based on our experience, the majority of problems clients face are eligibility coding and enrollment system problems that are not directly related to health plans. By removing the county advocacy system, the Office of Ombudsman will be burdened with paperwork that could best be handled at the county level. It is recommended that DHS rewrite this section to sort out the appropriate role and adequate funding for a county-based advocacy system that focuses on PMAP and DPPD enrollment issues and problems.

#### **G3.632 Independent Advocacy Services.**

This is a critical function that needs to be run along with a county advocacy system to address the concerns of enrollees at different levels. Both initiatives are needed and both should be adequately funded.

### **G3.64 Public Guardianship**

The real or perceived role of public guardianship is no different in the MA fee-for-service, Title XX, and/or MA Capitation world. This issue is not directly related to the DPPD and does not appear relevant to this document. Public guardianship is clearly a DHS responsibility, not a local level issue. DHS can reclaim its responsibility for individuals who require this assistance and/or deal with an appropriate separation of roles, same as has been done with the PMAP and proposed DPPD enrollment function which is to operate independently under the CA and not under the CAE.

Paragraph 3: Reference is made to Appendix G-12, "Public Guardianship Alternatives, Plan/Grant Process." This is not included in the Draft Waiver Amendment Document.

### **G3.65 Complaint, Grievance, and Appeals Mechanism**

This entire section refers to the CA not the CAE. This appears to be inconsistent with the current PMAP protocols referenced in the document and proposed DPPD protocols. Specifically, who is the accountable entity?



### **G3.66 Quality Management**

Quality management (QM) requirements are critically important to all health, social services, and long-term support delivery systems. This is equally true at the level of a CA, care network, and organization or provider. Specifications for QM are well documented at the national level in Federal provisions and as represented in the standards of all major healthcare and related (social services and long term care) accreditation bodies. Specifically, HCFA details QA requirements in its contractor monitoring system, as well as the QARI guidelines and recently distributed QISMC requirements. HCFA and the National Committee on Quality Assurance (NCQA) collaboration on the HEDIS data set offer additional QA monitoring requirements and tools.

NCQA provides a detailed set of Quality Management standards applicable to MCO's and offer a specialized set of standards customized to Managed Behavioral Health Organizations (MBHO). In addition, NCQA has developed a set of standards for new (start-up) plans, which appear to be useful development tools for MCO's that are in the early stages of development. Furthermore, the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), CARF, the rehabilitation accreditation commission, and the Council on Accreditation (COA) all offer comprehensive QM standards applicable to care networks, and organization and provider standards. The relevance of these and the NCQA standards to MCO's are detailed in the 1997 Institute of Medicine Report.

It is recommended that DHS modify this section to reflect the existing HCFA QM requirements, acknowledge the role of national accreditation and deemed status as a risk management option for CAE's to use in contracting, and as reporting equivalencies.

This section also references CA and not CAE again confusing whom is held accountable. In addition, a number of key questions have been inserted in the body of this section (presumably by DHS staff reviewers) which needs to be addressed. Select examples include QISMC standards (Page G-32), and specification of HEDIS requirements (page G-33).

### **G3.664 External Quality Reviews**

This section references that DHS will contract with an external quality review organization for select activities under the CA (Not CAE) contract. As no detail or funding consideration is provided, this section poses some major concerns.

### **G3.665 Satisfaction Surveys**

The DHS staff reviewer comments, presented in this section, are consistent with Hennepin's concerns. As stated, "need to describe the purposed use of consumer satisfaction surveys. Will they include Health Data Institute surveys? CAHPs measurement? etc."

### **G3.67 Other Consumer Safeguards**

#### **G3.671 Health and Safety Measures**

"Waivers of current regulations will be granted to CA's (not CAE?) only if they can assure that alternative health and safety measures are in place...". It is recommended that this process include a comprehensive review of options. This review should include, but not limited to



national accreditation, specifically as provided by NCQA, at the CAE level and CARF or JACHO at the network and provider level.

### **G3.672 Consumer self-determination**

This section lists variables that are not included in the MA benefits set and beyond the scope of the DPPD. Although the county supports the overarching values this section conveys, it is not within the scope of the DPPD. By including variables not in the MA benefit set, the DPPD would be held to an inappropriate standard. It is recommended that this language be changed, removed or DHS fund the services which affect people's housing, habilitation, vocational and support needs..

### **G3.673 Consumer Involvement**

Reference is made to appendix G-10 recommended strategies. This is not included in the Draft Waiver Amendment Document.

### **G3.674 Public Access and Monitoring of Contracts and Data Related to Quality**

As with the previous section, DHS is requiring the gathering and accumulating of data elements that are outside the domain of the DPPD. There is no dispute that many of these data elements are important health, social services, and related issues. In fact, the collection of these data should be, or are being collected by appropriate governmental entities. DPPD, however is not the appropriate collector, analyst, or reporter of many of the data elements unless funded to do so as an adjunct to the stated DPPD goal (page G-2). It is recommended that DHS be responsible

for gathering the data from a wide array of sources, conducting analyses, and publishing reports of these data elements.

### **G3.676 Children's Services**

Reference is made to contract specifications (Appendix G-3). This is not included in the Draft Waiver Amendment Document. This section references "see contract specifications" which were not included in this document.

### **G3.68 Assessment and Needs Determination**

"The CA (not CAE?) shall use assessment parameters and protocols required by MN Statutes, Demonstration Project Standards, and DHS guidelines, as identified in Appendix G-11. As these materials were not included in the Draft Waiver Amendment Document, this area is of special concern.

Further, DHS' effort in its assessment contract continue to confuse the issue. Specifically, what is the role and deliverables of this initiative, vis-à-vis the assessment requirements under consideration by DHS in this section? We trust DHS will capitalize on this contracting opportunity.

Paragraph 2: These provisions may be very problematic if an enrollee refuses to cooperate with the CA. As it reads, the CA has to continue to provide a full range of services until an enrollee agrees to a support plan. It is recommended there be provision for the CAE to either discontinue

service or provide the appropriate level of care, according to protocol established by the CA and approved by DHS.

### **G3.69 Service Coordination**

This section goes beyond DPPD legislative language by requiring payment for services that are yet to be defined by the projects. Counties desire to work with local consumers to design the service coordination model for the DPPD and recognize the value in close examination of service coordination options. There is however are concerns with risk to the consumer as well as county liability issues. It is recommended that DHS rewrite this section in an open fashion to allow full exploration of models, their risks, barriers and benefits.

### **G3.7 Payment Methodology**

#### **G3.72 Capitation Payment Rate**

This section follows the language in MN Statutes. Nonetheless, the post-pay system provisions put additional fiscal risk upon counties. It is recommended that counties closely monitor this post-payment system and require contract specifications to protect itself from unnecessary fiscal exposure. Further it is recommended that an actuarial process that goes beyond the singular use of historical expenditure to establish rates be adopted.

#### **G3.73 Rate Development**

The proposed model does not provide for a new enrollee rate to accommodate persons new to the systems with no or limited FFS claims history. A new enrollee rate cell has been proposed

based on age and gender. It is recommended that analysis also be conducted with regard to adding a "program equivalent" option to the age and gender new enrollee rate cells that reflects the structure endorsed by DPPD, that is a structure based on age, gender and a disability classification (i.e., DD, MH, and PD).

#### **G3.74 Risk Adjustment**

It is acknowledged that the DPS model is being "tested", it is unclear what level of risk the state is willing to assume as this risk adjustment model is being debugged along with transition risk moving disabled enrollees from the fee-for-service to a capitation model. It is again recommended that the state seriously consider adopting a realistic (shadow claiming) process for the first 2 years to test DPS and facilitate pilot implementation for the demonstration counties.

#### **G3.76 Integration of Local Funding**

The last sentence in this section references county maintenance of effort requirements. As no parameters have been specified for this calculation, this continues to be a major area of concern.

### **G3.8 Interaction between DPPD and Other Waivers**

#### **G3.81 Prepaid Medical Assistance Program**

The last two sentences in this section are incorrect. First, Hennepin County and Itasca are referenced as demonstration project planning sites and have been clearly told they are planning sites only. The last sentence indicates that proposed "PMAP may be one of the options that CA's explore as a purchasing model for acute care for services for disabled populations under

DPPD” – what is implied by this statement?

### **G3.83 County PMAP**

This section equates county PMAP with county-based purchasing. As they are not the same, it is recommended that the language in this section be changed to remove this inaccuracy.

### **G3.8\_ QA Waiver Demonstration**

No reference to the Region 10 (MN) QA waiver initiative – why was this omitted?



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FIRST CLASS



**MARCIA AND JERRY**

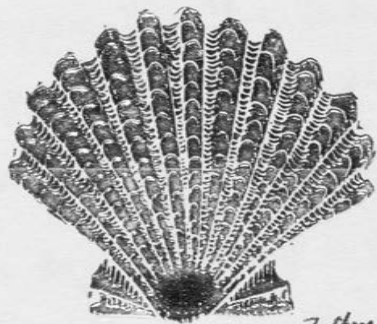
**1235 YALE PLACE NO. 904 MINNEAPOLIS, MN 55403**

Emily Anne ~

How nice to see you in  
the paper again - Bravo!

Fondly,

Marcia



Falvey

Dear Emily

Nice new job - congratulations on  
your latest appointment - I hope one of  
the perks is a free parking space by the  
Capitol - we will be back October 2 -  
so I can run my lunches up to you -

Take notes + write a book - make history

November, 1998

Frank Sauer  
Butler

the 1990s, the number of people in the world who are under 15 years of age has increased from 1.1 billion to 1.5 billion, and the number of people aged 65 and over has increased from 0.2 billion to 0.5 billion (United Nations 1999).

There is a growing awareness of the need to address the needs of the young and the old. The United Nations (1999) has identified the need to address the needs of the young and the old as one of the eight Millennium Development Goals. The United Nations (1999) has also identified the need to address the needs of the young and the old as one of the eight Millennium Development Goals. The United Nations (1999) has also identified the need to address the needs of the young and the old as one of the eight Millennium Development Goals.

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*November 18, 1998*

*Dear Emily Anne,*

*Congratulations. I was so pleased to see that you will be serving on Governor-elect Ventura's transition team. I think I am one of many Minnesotans who are happy to see people with your expertise and background as a part of this advisory group.*

*As you might know, over*



our mpls. Parks Superintendent,  
David Fisher, will be retiring after  
17 yrs. as superintendent on Dec. 31.

I can not think of anyone who  
would be a better candidate  
with outstanding qualifications  
for the position as head of the  
Parks and Open Space Commission  
under the Met Council. If you  
have the opportunity, I hope you  
will consider passing his name  
on to the appropriate people.

Minneapolis Park and Recreation Board

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Minneapolis, Minnesota 55415-1400

612-668-2000

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Again, my best I know  
you will do a great job.

Timian Mason

*Monet's Gardens at Giverny*

The stunning water mirror of Monet's waterlily pond, perfectly reflecting the sky and surrounding foliage, is interrupted only by the floating waterlilies.

Thanks for giving  
your "retirement"  
to work for the  
transition team.  
You have always  
been so generous  
with your time &  
talents. Perhaps  
we can still get  
together one day.

Photograph by Elizabeth Murray © 1990

Sincerely - Anne



Pomegranate, Box 6099, Rohnert Park, CA 94927

Anice W. Flesch  
13534 Larkin Dr  
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Breast Cancer Awareness

32  
USA



Emily Ann Juthe  
1225 Shoreline Dr  
Wayzata MN 55391







Dear Emily Ann,  
Your appointment to Gov. Ventura's  
Transition staff shows me he  
is going to receive a good  
briefing - nudging on matters  
international. You have a variety  
of smarts to lend him, and  
your appointment makes sure that  
he'll be helped to figure out  
how minute fits into the  
world. Hurray for you -

Mary Van Ever

**EMBER REICHGOTT JUNGE**  
**ASSISTANT MAJORITY LEADER**

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sen.ember.junge@senate.leg.state.mn.us  
and  
7701 48th Avenue North  
New Hope, Minnesota 55428



## Senate

State of Minnesota

November 19, 1998

Ms. Emily Anne Tuttle  
1225 Shoreline Drive  
Wayzata, MN 55391

Dear Emily Anne:

Congratulations on your recent appointment as an advisor to Governor-elect Jesse Ventura! I know you will bring a wealth of experience to his administration.

I just sent Gov.-elect Ventura the enclosed letter regarding some suggestions I have for his administration. Since I know of your interest in crime prevention issues, including community/restorative justice initiatives and domestic violence prevention, I thought I would send you a copy of my letter as well.

Your thoughts on any of this would be greatly appreciated. I look forward to working with you as we prepare for the next four years!

Sincerely,

Ember Reichgott Junge  
Assistant Majority Leader

*I look forward to  
seeing you Wednesday!*

ERJ:ms

Enclosure

**COMMITTEES:** Vice Chair, Election Laws • Vice Chair, Rules & Administration • Chair, Ethical Conduct  
Subcommittee • Children, Families and Learning • K-12 Education Budget Division • Crime  
Prevention • Crime Prevention and Judiciary Budget Division • State Government Finance Committee • Legislative  
Audit Commission • Legislative Commission on Planning & Fiscal Policy • Legislative Coordinating Commission

**SERVING:** Crystal • New Hope • Robbinsdale • Brooklyn Center • Golden Valley





**EMBER REICHGOTT JUNGE**  
**ASSISTANT MAJORITY LEADER**

Senator 46th District  
Room 205 State Capitol  
75 Constitution Avenue  
St. Paul, MN 55155-1606  
(612) 296-2889  
sen.ember.junge@senate.leg.state.mn.us  
and  
7701 48th Avenue North  
New Hope, Minnesota 55428



## Senate

State of Minnesota

November 17, 1998

Governor-elect Jesse Ventura  
Room B-5 State Capitol  
St. Paul, MN 55155

Dear Governor-elect Ventura:

Congratulations on your election as Minnesota's Governor!

You may be interested to know that your election made Russian news in a province that does not receive CNN. Two days after the election, as I and several Minnesotans from Connect US-Russia were visiting with government officials in central Russia on domestic violence issues, a provincial official surprised us by asking about our new governor. He commented, "We hear he's big and very relaxed."

I want to extend my good wishes and my assistance as you begin planning for your administration. I would be pleased to serve in an advisory role, particularly on matters involving the state budget, crime prevention and domestic violence, education, government reform, or campaign finance reform.

Like you, I have always looked for ways for public officials to remove government barriers and to "let citizens take the lead" in solving problems. I call it "free to be better." I have pushed these ideas within the Democratic Leadership Council (DLC) and was pleased to be one of 12 DLC leaders to write for their 1996 National Democratic Convention Issue (article attached). The article focuses on three first-in-the-country initiatives I sponsored into law in Minnesota – all of which gave voice and opportunity to ordinary citizens.

Charter schools revolutionized the education debate here and around the country. The Board of Government Innovation and Cooperation has spawned many new innovative, cooperative initiatives causing local governments to deliver services more cost-effectively. And finally, the nation's first statewide "Crime Alert Network" – a cutting-edge fax crime prevention tool – has had great success in preventing property and violent crime, as well as in locating missing children.

**COMMITTEES:** Vice Chair, Election Laws • Vice Chair, Rules & Administration • Chair, Ethical Conduct Subcommittee • Children, Families and Learning • K-12 Education Budget Division • Crime Prevention • Crime Prevention and Judiciary Budget Division • State Government Finance Committee • Legislative Audit Commission • Legislative Commission on Planning & Fiscal Policy • Legislative Coordinating Commission

**SERVING:** Crystal • New Hope • Robbinsdale • Brooklyn Center • Golden Valley



Governor-elect Jesse Ventura  
November 17, 1998  
Page 2

Policy initiatives like these are what I enjoy most. I would be pleased to assist you and your staff in contributing ideas for the initiatives of your administration.

May I suggest a few ideas for your consideration even now?

1. Office of Prevention of Violence Against Women. Minnesota could follow the lead of President Clinton in creating a National Office of Prevention of Violence Against Women. Currently led by Bonnie Campbell, former Attorney General of Iowa, this office gives needed visibility to preventing domestic violence, assisting victims, and confronting family violence as key to crime prevention (we know that children who are abused or who witness violence are far more likely to grow up and be violent themselves). In my 16 years of work on this issue, and in preliminary conversations with those involved in the field, this focus would be a welcome addition to Minnesota's crime prevention efforts. The initiative could be staffed directly out of the Governor's office – which I believe would be most effective – or out of a state agency, such as Public Safety.

2. Cabinet Level Crime Prevention Initiative. As a recent candidate for Attorney General, I repeatedly called for taking on crime prevention with the same vigor as prosecution. This meant addressing the roots of violence such as domestic violence and child abuse; working with law enforcement and schools in preventing truancy, fighting chemical dependency and drugs, and finding constructive alternatives and mentors for youth; and embracing the many innovative opportunities offered by restorative justice. Regarding the latter, I sat in sentencing circles and saw their impact on the offender – sometimes far more effective than jail. I saw how community courts can administer speedy and effective consequences – particularly effective for youthful offenders. And I learned how "Sentence to Serve" programs are working in several Minnesota counties.

What Minnesota needs is a way to coordinate and leverage these efforts throughout the state. My vision for your administration is to establish a focus – most likely at the Cabinet level – that brings together all these resources and builds on the good efforts going on around the state. Currently these resources are fragmented across state and local governments in local pilot projects or in fragmented areas of the Departments of Children, Families and Learning; Corrections; and Public Safety – and who knows where else!

I suggest we bring together in collaboration law enforcement, school officials, battered women and child protection providers, prosecutors, defenders, court personnel, and others to focus on crime prevention. This initiative would be separate in focus from enforcement and prosecution, which would remain the traditional functions of the Department of Public Safety. I am enclosing some past proposals on this topic as a place to start.

Governor-elect Jesse Ventura  
November 17, 1998  
Page 3

I am convinced that greater awareness and focus on crime prevention would make such a difference for the children and families of Minnesota. Should I flesh out this concept in a full proposal for your consideration? I would consult with Attorney General Mike Hatch and bring to the table all of the above groups and more to brainstorm mission and structure. This is the kind of policy development that I do best.

My commitment to these issues is great. Should my expertise be needed to lead such an initiative on a full-time basis, I would consider doing so.

Once again, congratulations on your election. Please let me know how I can help. I am enclosing a variety of background materials so that you can become better acquainted with my past work and philosophies.

I wish you much success in the transition!

Sincerely,

A handwritten signature in cursive script, reading "Ember Reichgott Junge".

Ember Reichgott Junge  
Assistant Majority Leader

ERJ:ms

Enclosures

cc: Lt. Gov.-elect Mae Schunk  
Steve Bosacker  
Dean Barkley  
Tim Penny  
Diane Goldman



## Let Citizens Take the Lead

By Ember Reichgott Junge

The most talented, innovative government leaders will set the course for the 21st century. Right?

Wrong. The most successful leaders will encourage the innovation and energy inherent in every citizen—and then let go, removing barriers, encouraging risks, rewarding new ideas, and yes, learning from the inevitable mistakes.

Call it "free to be better."

In schools, local governments, and law enforcement agencies, three recent initiatives in Minnesota are stimulating hundreds of new ideas. Citizens are taking the lead because government opened the door. Democrats around the nation may want to take note:

- ♦ Started in Minnesota in 1991, charter schools were born of a vision that parents and teachers could create new, innovative schools to better meet the needs of students. With freedom from most state regulation in exchange for commitment to performance, the concept unleashed a passion that spread across the country. Today, 25 states and the District of Columbia have charter laws and more than 300 autonomous public charter schools have been authorized.

Charter schools give innovators the chance to thrive, and the entire public school system benefits as a result. Minnesota's 20 charter schools already demonstrate multi-grade student sections, year-round learning, business and community partnerships, career exploration starting in first grade, teacher merit pay, and teacher-owned cooperatives. And that's just in four years.

Sheer parental determination helped overcome educators' resistance to charter schools. How refreshing to recently hear a superintendent say, "I'm never going to be able to make the changes we need in this school district until we have a charter school operating across the street."

There is no question that charter schools help improve the entire public school system. While "free to be better" originates with the entrepreneurial few, the benefits go to the many.

- ♦ The Minnesota Board of Government Innovation and Cooperation, created in 1993, frees local governments from regulation in exchange for better results. By temporarily waiving burdensome state laws and rules, or by awarding grants to local governments that want to band together to do something creative, an array of innovations has emerged. Examples abound: merging county and school social services; developing a seven-county regional plan for solid waste disposal; creating a

single countywide law enforcement system; creating multi-community senior citizen and youth initiatives; implementing a countywide economic development strategy that ends decades of self-defeating competition among neighboring cities for new business.

Local governments now focus less on "doing things right" and more on "doing the right thing." As one local official said, "There is more than one right answer to these challenges. The board gives us freedom to look for the next right answer."

- ♦ No one knows the problems of the criminal justice system better than crime victims and their families. Out of one such family's tragedy, there has been a marked change in the way Minnesota police agencies respond to crime.

The Crime Fax Network, created in 1994, links hundreds of police stations, businesses, and community institutions through broadcast fax technology, allowing entire communities to respond instantly to kidnappings and other crimes as they occur. The network was created out of a father's frustration when his teenage son was tragically abducted and later killed. Trained in technology, the parent was appalled to discover that police agencies were unequipped to receive a faxed photograph of his child. Thanks to one father's courage and innovation, we have broken barriers among police agencies and created a cutting edge crime prevention tool.

What is the message to Democratic leaders from these initiatives? Remove the barriers; nourish the seeds of innovation in everyone; bring people together to look for the next right answer.

The solutions will keep on coming.

—Ember Reichgott Junge is assistant majority leader of the Minnesota Senate.



## Winning Isn't Everything

By Daniel Kemmis

The defining problem of our time is not the deficit, health care, or crime, but our people's deepening despair over their inability to shape the fundamental conditions of their lives. This is a crisis of democracy, and thus it must define the work of the Democratic Party.

Our party stands in a line that stretches back to Pericles and the Athenian city-state that gave us the word "democracy" and with it, the tradition of people governing themselves. Someone once identified the Athenian trait that makes the democratic experiment viable to this day. It wasn't that Athenians agreed about everything; in fact, the narrow circle admitted to



- PERSONAL: Married to Michael Junge, McLeod County Attorney
- EMPLOYMENT: Business Attorney - The General Counsel, Ltd.
- PUBLIC OFFICE:
- \* Minnesota State Senator for District 46, serving Crystal, Robbinsdale, New Hope, parts of Golden Valley and Brooklyn Center (elected 1982, 1986, 1990, 1992, 1996).
  - \* DFL-endorsed candidate for Minnesota Attorney General, 1998.
- COMMITTEES AND APPOINTMENTS:
- \* Senate Assistant Majority Leader (2nd-ranking leadership post in Senate)
  - \* Chair, Special Subcommittee on Ethical Conduct
  - \* Past Chair, Senate Judiciary Committee
  - \* Senate Crime Prevention Committee and Budget Division
  - \* Senate Children, Families & Learning Committee
    - Member, K-12 Education Funding Division
  - \* Senate Ethics & Campaign Reform Committee, Vice Chair
  - \* Senate Rules & Administration Committee, Vice Chair
  - \* Senate State Government Finance Committee
  - \* Legislative Commission on Planning and Fiscal Policy
  - \* Legislative Audit Commission
- LEGISLATION AUTHORED, 1983-1998:
- Chief sponsored 130+ bills into law including:
- \* Living wills/health care directives
  - \* Crime fax network arising from Grant Hussey abduction
  - \* Child abuse and domestic violence protections
  - \* Public school choice initiatives: open enrollment and charter schools
  - \* Legislation restricting youth access to tobacco
  - \* One-stop business licensing system
  - \* Greater protections against telemarketing fraud, credit card fraud and deceptive advertising
  - \* School police liaison officers
  - \* Anti-gang penalties and initiatives
  - \* Expanded legal services for low- and moderate-income families
  - \* Strengthened background checks on security guards and law enforcement job applicants
  - \* Expanded trout stamp program
  - \* Human rights legislation prohibiting discrimination on basis of disability
  - \* Early childhood and learning readiness initiatives
  - \* Government Board of Innovation and Cooperation
  - \* Drug abuse legislation
  - \* Clean air legislation
  - \* Reforms in tax increment financing
  - \* UofM Regent selection commission
  - \* Corporate takeover changes
  - \* Limited liability companies
  - \* Creation of Intermediate Court of Appeals
- EDUCATION:
- \* M.B.A., 1991, University of St. Thomas, St. Paul
  - \* J.D., 1977, Duke University School of Law, Durham, North Carolina
  - \* B.A. summa cum laude, 1974, St. Olaf College, Northfield
    - Valedictorian, Class of 596; Phi Beta Kappa
  - \* Robbinsdale Senior High School, 1970, Valedictorian
- HONORS:
- \* Listed in Who's Who in America, Who's Who of Emerging Leaders in America, Two Thousand Notable American Women, and Who's Who of American Women
  - \* 1998 Distinguished Alumna, St. Olaf College, Northfield
  - \* 1998, 1995 Connect US-Russia delegate to Russia to assist Russian government officials in addressing domestic violence issues
  - \* 1997 Law Enforcement Commendation from Background Investigators Assn.
  - \* 1997 Recognition for leadership in support of sexually abused children (from CornerHouse)
  - \* 1997 "Advocate for Hearts" Award from American Heart Assn. for leadership in protecting youth from tobacco
  - \* 1997 "Invest Northwest" Award from Northwest Hennepin Human Services Council for "outstanding effort in meeting human service needs in NW Hennepin County"
  - \* 1997 Public Service Award, Planned Parenthood of Minnesota

- \* 1996 Up with People "Everyday Hero" International Alumni Association Award
- \* 1993 "Marvelous Minnesota Woman," Minnesota Woman's Consortium
- \* 1993 Myra Bradwell Award, Minnesota Women Lawyers
- \* 1992 Lake Conference "Outstanding Achievement" Award for Distinguished Alumni
- \* 1990 Pro Bono Publico Attorney Award, Minnesota Bar Association
- \* 1989 Human Rights Award for leadership on behalf of persons with disabilities
- \* 1989 Delegate selected by American Council of Young Political Leaders for study exchange in Far East
- \* 1989 Woman of Achievement, Twin West Chamber of Commerce
- \* 1988 Public Policy Advocate of the Year, Minnesota NAWBO (National Association of Women Business Owners)
- \* 1988 Clean Air Award, Lung Association of Minnesota
- \* 1984 Ten Outstanding Young Minnesotans, Minnesota Jaycees
- \* 1984 Distinguished Service Award, Minneapolis Jaycees
- \* 1983 "Woman of the Year," North Hennepin Business and Professional Women
- \* WCCO Radio Good Neighbor Award

CURRENT  
APPOINTMENTS:

- \* Board of Directors, Citizens Independent Bank, St. Louis Park
- \* Board of Directors, United Way of Minneapolis Area
- \* Board of Directors, Greater Minneapolis Red Cross

RECENT  
APPOINTMENTS:

- \* Supreme Court Task Force, Gender Fairness in the Courts
- \* Vice President, Corporate Counsel Assn of Minnesota State Bar Assn (1989-96)
- \* Board of Governors, Minnesota State Bar Association
- \* Chair, Success by 6 Northwest, United Way Initiative in Early Childhood Development (1990-1996)



### **Senator Ember Reichgott Junge**

Sen. Ember Reichgott Junge, past chair of the Senate Judiciary Committee, currently serves as Senate Assistant Majority Leader -- the first woman to serve in the Senate's second-ranking leadership position. Now in her fifth term, she has been recognized by *Business Week* magazine for sponsoring "one of the most innovative experiments in the nation" -- the nation's first charter school plan.

Representing the New Hope, Crystal, Robbinsdale area where she grew up, Sen. Junge has steered groundbreaking proposals into effective laws to protect Minnesota's communities and families: tough new laws to prevent family violence, juvenile crime and sexual assault; the nation's first statewide "Crime Alert Network," a cutting-edge fax crime prevention tool; and new protections for consumers against fraud. She successfully led the fight to restrict young people's access to tobacco, and currently leads efforts to keep alcohol and drugs out of the hands of young people.

A past member of the Board of Governors, Senator Junge was honored by the Minnesota Bar Association for her advocacy for legal services funding, and by Minnesota Women Lawyers for her contributions to the legal profession. She worked closely with the Bar Association in sponsoring legislation to create limited liability companies and partnerships, living wills and health care directives. She also served as Vice President of the Corporate Counsel Association.

Senator Junge practices business law with The General Counsel, Ltd., a firm of eight attorneys providing time-shared in-house legal services to companies throughout the Twin Cities. She received her law degree from Duke University School of Law in 1977 and her MBA from the University of St. Thomas in 1991.

Senator Junge is married to McLeod County Attorney Michael Junge. She serves on the board of directors of the United Way of Minneapolis and Citizens Independent Bank, St. Louis Park.

Senator Junge is the first woman to receive a major party endorsement for Minnesota Attorney General.

## An innovative proposal to aid crime prevention

A stadium, taxes and welfare reform are highly visible and important legislative issues. Proposals to reform, or reinvent, government itself usually get much less attention. Yet they can be important, too.

On Monday, the Minnesota Legislature got such a proposal — one to explore innovative ways to prevent crime. Ember Reichgott Junge, the Senate's assistant majority leader, introduced a bill that would encourage more grass-roots crime prevention.

Junge, DFL-New Hope, wants to provide small financial incentives for innovative community partnerships in policing, prosecution, courts, sentencing and victim assistance. Potential partners would come from law enforcement, local government, business, neighborhoods, nonprofit agencies and schools.

The goal: reduced crime, speedier justice, greater citizen participation and healthier communities and neighborhoods. Ideas that work in individual communities could be replicated elsewhere in Minnesota.

Junge's proposal builds upon an earlier reform she began years ago. That reform — the Board of Government Innovation and Cooperation — has made dozens of small grants to boost intergovernmental innovation. Hundreds of local governments — from school districts to municipal and county governments — have joined in cooperative experiments. It's been a remarkable success.

Now she proposes that the Legislature create a special unit within the Board of Government Innovation to work on localized crime prevention. It would include an advisory board of criminal justice professionals to make grant recommendations to the board, and would add one person to the board's two-person staff.

One function would be to unleash citizen ideas for fighting crime. Another would be to help introduce useful innovations developed in other states. For example, New York City has experimented with community-focused courts. In Oregon, a county has experimented with assigning a prosecutor to a neighborhood. In Vermont, community boards help determine supervision of offenders on probation and parole. In Madison, Wis., probation officers are teamed with police. Charleston, S.C., cuts daytime crime by focusing on truancy.

Those are the sorts of innovations small grants could encourage. The grants would be R&D for localized crime prevention.



Leonard Inskip

er it passes remains to be seen. And legislators will question her suggested spending — \$5 million a year. That's more than the Board of Government Innovation gets now for its useful work. Junge doesn't seem wedded to the dollar amount, but mainly wants to see her crime-prevention concept adopted — now or in the future. She does argue,

**The goal: reduced crime, speedier justice, greater citizen participation and healthier communities.**

though, that other crime-prevention proposals add up to that amount or more.

The assistant majority leader is a candidate for state attorney general, so her interest in crime prevention is particularly relevant. But that interest began years earlier with involvement in such issues as family violence, sexual assault, juvenile crime and

→  
crime prevention

crime prevention



One spur to Junge's thinking was a triple homicide in her district in 1996. A community group has suggested a localized domestic abuse court in which a judge and prosecutor could provide continuity and monitoring of abuse cases. As it was, the killer, according to Junge's background paper on her proposal, "had seen four judges and five probation officers through his history of domestic abuse. There was no continuity and no one had any idea of the scope of the problem." Junge says, "A local court might have prevented this violence."

The background paper lists dozens of potential grant proposals for community policing, community prosecution, community courts, community corrections (sentencing) and community victim-impact initiatives.

"There's a lot of good ideas out there," Junge says. "And a lot of citizens want to be involved."

Tomorrow's most successful leaders, Junge has written, will be those who "encourage the innovation and energy inherent in every citizen — and then let go, removing barriers, encouraging risks, rewarding new ideas, and yes, learning from the inevitable mistakes. Call it 'free to be better'."

In developing the bill, Junge consulted people in law enforcement, corrections and crime prevention. She rode with police through a crime-plagued Minneapolis neighborhood and even went through a crack house. She's looked at other crime-prevention programs to avoid any duplication. And she's gotten important support from Sen. Randy Kelly, DFL-St. Paul, who chairs the Senate's key budget division for crime prevention.

Junge's position as assistant majority leader assures that her bill will get a hearing. But wheth-

truancy; she even sponsored a bill to authorize police in schools.

She was an author of charter schools legislation that would infuse fresh ideas into education. She saw how state grants could encourage worthwhile school consolidations. "Why," she asked, "can't we do that for local government?" State government was being told to reinvent itself, so why not help local governments do the same thing?

In addition, local governments were complaining about costly and inefficient regulation imposed from above. The good-government Citizens League added its voice in favor of waiving some rules and procedures.

In 1991, Junge got a law passed to create the Board of Government Innovation and Cooperation. Gov. Arne Carlson vetoed its funding among others. But in 1993, Junge won an appropriation, and since 1994 the board made small grants for governmental innovation, while also providing waivers for unnecessary state rules and helping municipal consolidations such as that between Norwood and Young America. It is seeking an annual appropriation of \$1 million this year, the same as in recent years.

That limited funding has kept the board from going beyond innovation grants to make them for cooperation alone. So some House authors are proposing \$25 million a year for cooperation grants. Given other spending needs, that amount is problematic.

Meanwhile, officials of the Board of Government Innovation and Cooperation will have an opportunity to discuss Junge's proposal when they meet next week. Their reaction could determine a timely and good idea's future.

— *Leonard Inskip is a Star Tribune columnist and editorial writer.*



***The Next Attorney General.***

**PRESS RELEASE**

**JUNGE FOR ATTORNEY GENERAL**

**CONTACT: Thomas Nelson**

**Phone: 651/647-1895**

**Pager: 612/621-9470**

July 23, 1998

**EMBER REICHGOTT JUNGE ANNOUNCES  
COMMUNITY CRIME FIGHTING INITIATIVE  
Attorney General Candidate Lays Out *100 Day Plan* for AG's Office**

"The people of Minnesota have a bottom-line about crime. They want it stopped. Our citizens want to know there is swift and sure consequence to those who threaten their community. They want strong action to prevent crime from happening in the first place. My first one hundred days in office will be devoted to a range of initiatives to create the most successful community crime fighting program in the country," announced DFL-endorsed Attorney General Candidate Ember Reichgott Junge today.

Senator Junge announced her **Community Crime Fighting Initiative** during a press conference at the state Capitol today. This is the first of a series of press conferences for the Senate Assistant Majority Leader to outline her "*100 Day Plan* as Minnesota's Attorney General."

"Community crime fighting programs are credited for the 40% drop in the crime rate in New York City. Local programs are underway in Wisconsin, Vermont, Norfolk, Va., Syracuse, N.Y., and Boston, Mass. In Minnesota, Hennepin County Chief Judge Dan Mabley and others are preparing a range of localized crime fighting activities, including community courts. As Attorney General, I will use the strength of my office to lead a statewide initiative that will provide our families with security in their homes and safety in their neighborhoods," explained Senator Junge.

The Attorney General candidate outlined her four-point **Community Crime Fighting Initiative** to reduce crime, to provide swift and sure consequence for committing a crime, to better track offenders to prevent repeat crimes, and to create more livable neighborhoods.

First: the creation of a specialized **Community Crime Fighting Tactical Team** within the

*-more-*



Office of the Attorney General. This team will include experts in community policing, community prosecution, community courts, restorative justice, and victim services.

The Community Crime Fighting Tactical Team will:

- establish partnerships with local prosecutors, law enforcement, courts and community leaders;
- help identify effective crime fighting approaches for that community;
- help obtain existing state, federal, and private grants to implement these plans;
- bring in experts from other states, agencies, and communities that have achieved success through community crime fighting efforts; and
- host training seminars for law enforcement, prosecutors and neighborhood groups on the latest and most effective techniques in community crime fighting.

Sen. Junge cited several examples of community crime fighting initiatives:

- A community, working with a local lawyer could use nuisance laws to close down crack houses;
- Police could open a sub-station near a playground or school to keep children and teachers safe;
- A neighborhood group could seek funds for security cameras or extra lights to keep a troublesome corner free of drug dealing;
- “Sentence to serve” programs could be established requiring offenders to serve their communities by cleaning up graffiti or shoveling sidewalks for seniors;
- A neighborhood could request a community prosecutor to crack down on vandalism or prostitution, or request the opening of a community court to prosecute vandals, drug dealers or domestic abusers within days rather than months, as is too often the case.

“The **Community Crime Fighting Initiative** creates the strongest possible partnerships with those in the field who work tirelessly to bring criminals to justice. The fight against crime can be initiated in St. Paul, but it will be won on the streets and in neighborhoods of Minneapolis, Duluth, Rochester, Alexandria and all the communities of Minnesota. As Attorney General, I will provide the leadership, technical support, and additional resources to help police officers, judges, prosecutors, and our citizens to fight crime where it happens -- in our neighborhoods, in our schools, and in our communities,” emphasized Junge.

Second: **initiate a series of Community Crime Fighting Forums** to bring together community

-more-



leaders, identify local crime-fighting needs and develop community specific plans and partnerships to aggressively fight crime.

Third: assign Community Prosecutors to neighborhoods where their presence would directly attack a specific crime fighting need, such as enhanced prosecution of complex gang and gun crimes. The Community Prosecutors also become key in the development of innovative crime prevention initiatives. These prosecutors would be assigned in cooperation with the local county prosecutor and be responsible to the Attorney General's Office.

Fourth: expand the Crime Alert Network to build rapid response and to quickly identify repeat offenders and get them off the streets. Originally created as a crime prevention tool, the Crime Alert Network would expand to a communications tool for law enforcement to closely track offenders through the system, helping prevent repeat crimes.

This expansion of the Crime Alert Network builds on the rapid response law Senator Junge sponsored into law in 1994. In response to the abduction and murder of Eden Prairie teenager Grant Hussey, Junge worked with local law enforcement as well as business and community leaders to develop a broadcast fax network to speed apprehension of criminals.

"By expanding the network, we can give law enforcement officials instant information about offenders who are likely to violate their conditions of parole," explained the Attorney General candidate.

"In my first 100 days as Attorney General, I will propose legislation and work with key legislators to insure passage of the strongest, most successful Community Crime Fighting effort in the nation. The people of Minnesota deserve safe homes, safe schools, and safe neighborhoods," concluded Senator Junge.

Senator Ember Reichgott Junge is currently the second-ranking leader in the Minnesota Senate, having previously served as Chair of the Senate Judiciary Committee. In her 16 years of service, she has led the fight for numerous initiatives to help local officials deal with crime including the nation's first Crime Alert Network to make it easier for police to track criminals; tough laws to stop family violence, gang crime, juvenile crime, and sexual assault; and strong measures to keep schools free of drugs and weapons, including establishment of statewide school police liaison officers.



GOVERNMENT FOR THE PEOPLE  
PROGRAMS THAT WORK

# LOCAL HEROES MAKING A DIFFERENCE

MEET SIX INNOVATORS SHAKING UP THE SYSTEM FROM THE INSIDE



Call them government entrepreneurs, searching for ways to reinvent government—and in the process, shaking up accepted notions of public-sector performance and public service. From Tacoma to Tampa, grass-roots efforts are challenging hidebound bureaucracies with competition, cutting red tape, bringing efficiency and profitability into state and local agencies, and empowering citizens to make their streets safe and government work better. Here are six savvy public servants who are making a difference by coming up with bold, innovative ways of doing business in the public sector. The goal? To transform programs with new ideas of what is possible—and new ways of getting there.

**IMPROVING SCHOOLS.** Ember D. Reichgott made her first buck at age 15, peddling racoon-resistant garbage can lids. Today, State Senator Reichgott, Democratic Whip of the Minnesota Assembly, has a much tougher sell: an experimental—and controversial—school-choice program.

There is nothing in Reichgott's resumé to suggest that she would become an educational reformer. The daughter of a diamond salesman and a department-store buyer, the 39-year-old legislator attributes her interest in school choice to two high school teachers who inspired her to stretch the limits of knowledge. "Lots of good teachers have felt constrained by the system," she says. So when she entered politics, Reichgott decided to provide new ways for teachers to be creative.

That she's doing. Reichgott drafted and pushed through the legislature a new law that enables citizens, groups, or entire communities to incorporate their own schools to meet special needs. To form a charter school, which can either be a startup or a conversion of an existing school, one or more teachers must apply for and receive backing from a local school board. Charter schools must also be state-approved and receive state funding, but the school's sponsors are solely responsible for selecting the curriculum and student body. School-choice reformers call it one of the most innovative experiments in the nation. California

recently approved a pilot program modeled after Minnesota's that provides for up to 100 such schools.

The first school to open, City Academy in St. Paul, aims at students who are considered drop-out risks. Another proposal

would keep open a financially strapped rural school in northern Minnesota that had been marked for elimination by a consolidation plan.

The Reichgott experiment with school choice has sparked a furor from the get-go. She stood firm when state teachers' unions demanded that they be designated as the bargaining agents and kept charter schools exempt from collective bargaining. After Reichgott compromised by having at least one certified teacher originate all charter applications and giving local school boards final approval, the teachers grudgingly dropped their opposition.

Potential competition from charter schools already is making traditional schools adapt. "The charter schools have created the leverage to make changes," says Ted Kolderie of Minnesota's Center for Policy Studies. "The objective is not to have every child go to a charter school. You want districts to implement changes within their normal structure."

Reichgott sees a parallel with another law she shepherded through the state leg-

## EMBER REICHGOTT

.....  
*School-choice reformers are hailing a law Reichgott drafted and pushed through Minnesota's legislature. The law allows citizens, groups, or entire communities to form their own schools to meet their special needs*



islature that allows students to attend any public school in the state. Fewer than 1% of pupils have taken advantage of the law, but many schools have improved their curriculums in order to keep the students they've got. "Ultimately, you can innovate on a smaller scale much more easily than you can innovate through the entire system. Charter schools at least can stand as an example," says Reichgott. For a problem as tough as public education, that's a good place to start.

By David Greising in Chicago

islature that allows students to attend any public school in the state. Fewer than 1% of pupils have taken advantage of the law, but many schools have improved their curriculums in order to keep the students they've got. "Ultimately, you can innovate on a smaller scale much more easily than you can innovate through the entire system. Charter schools at least can stand as an example," says Reichgott. For a problem as tough as public education, that's a good place to start.

*By David Greising in Chicago*

**MAKING HOUSING AFFORDABLE.** Accomplishments? Tampa Mayor Sandra W. Freedman has her favorites. The new convention center, of course. And don't forget the National Hockey League franchise she helped bring to town. But she most likes to talk about Bougainvillea Oaks, 17 houses priced for first-time home buyers. Or renovations in run-down Tampa Heights, an historic district. Or the Tampa Housing Partnership, which encourages homeowners to spruce up neighborhoods.

Freedman, 49, has presided over one of the nation's most successful housing programs. "It's not a sexy issue," she says. "I vowed if I had the power, I would focus on it. If you are going to have a strong, viable city, you have to have strong, viable neighborhoods."

A 1987 survey showed that 22% of the city's residences were substandard, double

## SANDRA FREEDMAN

.....

*Tampa's mayor has focused on shelter—and now the city has one of America's best housing programs.*

*Among her achievements: An alliance with banks to help provide low-cost financing for first-time home buyers*



the level of a decade earlier. Today, the figure is down to 17%. How? Freedman set up the Mayor's Challenge Fund, which has secured commitments from banks to make home-repair loans at two percentage points below prevailing rates. The banks also agreed to extended mortgage payment terms, liberal underwriting requirements, and minimal closing costs. In return, the city pledged federal grant money to guarantee the loans. In the first two rounds of funding, more than 20 banks committed \$43 million to the fund, \$25 million more

than her goal. Realizing the city couldn't solve the problem alone, Freedman enlisted the help of the Chamber of Commerce and nonprofit organizations. Tampa's housing officials trained nonprofits to take loan applications and manage properties. Tampa United Methodist Centers developed Bougainvillea Oaks, while the Tampa Preservation League is restoring homes in Tampa Heights.

The result: Tampa has slashed its housing bureaucracy. In 1985, a city staff of 42 was responsible for restoring 37 homes. This year, 21 staffers have overseen the repair or restoration of 1,114 units. The default rate is less than 1%, and only 3.9% of the loans are delinquent. Both are below the levels for conventional financing.

Says Freedman, reelected last April by a landslide: "It's reinventing government. Government is the ultimate service organization, and we're trying to get back to delivering service."

*By Gail De George in Tampa*



## LYLE QUASIM

.....

*When drug-related violence in Tacoma surged in the late '80s, Quasim started helping residents fight back. His group, Safe Streets, has set up neighborhood watches and helped police identify drug dealers*

**TAKING BACK THE STREETS.** In May, as riots swept Los Angeles, cities with large minority populations tensed. Many, like Seattle, saw looting. But in Tacoma, the most crime-ridden city in Washington, protests were peaceful. Neighbors called neighbors to dispel rumors. A midnight basketball game went ahead, as did a rock concert. Not one window was broken.

Tacoma's police chief credits a community program called the Safe Streets Campaign. Started in 1989, Safe Streets has organized residents to fight drug dealing and gang violence. With a staff of 14 and a \$1 million annual budget provided by the state and federal governments and United Way, it has helped organize some 60,000 people in city blocks and apartment complexes to paint over gang graffiti and clean up streets.

All of which makes Lyle Quasim "delir-

# THE DISABILITY INSTITUTE

November 20, 1998

Tim Penny  
500 North State Street  
Waseca, MN 56093

Dear Tim:

The strength of Minnesota's workforce is absolutely critical to our state's economic future.

Close to one in five (19.4%) of Minnesotans has a disability. 71% of working age adults with disabilities are unemployed. According to a recent Lou Harris poll, seven out of ten unemployed people with disabilities want to work.

At the same time, Minnesota is experiencing a labor shortage. (Some members of the business community call it a *crisis*.) The labor shortage is structural and will affect Minnesota's economy for several decades. Minnesota needs more workers to ensure our economic growth.

Why is there such a disconnect between the extremely high unemployment of people with disabilities who can and want to work and businesses needing workers at all levels?

I have long analyzed this situation and have specific ideas on how to resolve the many problems. Some solutions are simple; some solutions are complex. Regardless, if we are to increase the employment of people with disabilities, we must begin to think in new ways. A good place to start is with the \$40 million Minnesota Department of Rehabilitation Services.

In July I wrote a commentary for the Star Tribune (enclosed) as a way to start a public dialogue.

The high unemployment of people with disabilities has many consequences:

- People with disabilities are not economically self-sufficient and continue to be the poorest segment of American society. 34% live in households with total incomes of \$15,000 or less.
- Each year government spends forty times more money to support people with disabilities who are not working than it spends to assist them to prepare or find employment.
- The lack of participation of people with disabilities in our labor force costs our economy more than \$200 billion annually. If the loss of revenue from uncollected income taxes is added, the unemployment of people with disabilities costs our economy \$300 billion.
- The health, well-being and self-esteem of people with disabilities are greatly enhanced when individuals have the opportunity to live up to their fullest potential.



The high unemployment of adults with disabilities is a national trend, but the extremely low unemployment in our area is unique and sets up a rare opportunity. We are well-positioned to create innovative, results-oriented employment models for the rest of the nation. The strong work ethic of our citizenry combined with the resourcefulness of our community make this a perfect place for national leadership.

Please add me to the list of citizens who wants to make Minnesota a stronger state. I want to contribute my particular expertise and vision.

Best regards,



Wendy S. Brower  
Executive Director

Enclosures

c: Dean Barkley  
Peter Bell  
Joanne Benson  
Steven Bosacker  
Reatha Clark King  
Richard D. Lamm  
Emily Ann Staples Tuttle  
Charlie Weaver

Editorials, labeled "Our Perspective," represent the institutional voice of the Star Tribune. They are prepared by the Editorial Department, which is independent of the newsroom.

# Star Tribune Editorial

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## Eight years later, and promises in the ADA are still unfulfilled

On July 26, 1990, I was among 3,000 Americans assembled on the White House lawn who witnessed President George Bush sign the historic Americans with Disabilities Act (ADA), the first-ever civil rights law for 49 million Americans. This was a glorious moment of promise and optimism. For the first time in U.S. history, it was no longer acceptable to deny citizens with disabilities the freedom to participate in the American dream.

I remember feeling like we had finally been invited to the dance. For many people with disabilities, the dream may have meant getting a decent education, riding on an accessible bus, attending a favorite concert, going to a movie theater or simply ordering a pizza over the phone for the first time.

### Counterpoint

For many of us, the ADA dream meant getting a meaningful job.

Unfortunately, the ADA wasn't the answer to a paycheck that all of us had hoped for. Today, 66 percent of disabled adults are still not working, even though a 1991 Lou Harris poll revealed that two-thirds of unemployed people with disabilities want to work.

In today's economy, employers are facing a labor shortage of crisis proportions. Nowhere is this problem more serious than here at home. A recent poll by the Minneapolis Chamber of Commerce cited the availability of skilled workers as the most pressing issue faced

by Twin Cities business leaders.

I don't get it. If employers need qualified workers and people with disabilities want to work, what is the problem? Are people with disabilities properly prepared? We spend millions of dollars on vocational rehabilitation programs and services. But is our public investment paying off? The Minnesota Rehabilitation Services (the state's vocational rehabilitation department) serves 27,000 individuals each year, but only 16 percent are placed in jobs or maintained in jobs. Also, fewer than 6 percent of new disability recipients were referred to state vocational rehabilitation agencies in 1996. Why so few referrals? Are people with disabilities being prepared for the jobs that meet the needs of employers?

Employers tell us they are willing to hire people with disabilities. But they also tell us they don't know where to find people with disabilities with the skills and qualifications they want. They also admit fear of doing (or saying) the wrong thing to employees with disabilities — a population with whom they've had little or no experience. They are afraid that their lack of awareness and know-how could land them in court. Given the cost of litigation, employers believe they lose financially even if they win. And I also wonder: Do employers' stereotypes and assumptions about the capabilities of people with disabilities interfere somehow?

People with disabilities persevere — having a disability is not for sissies. However, I am per-

plexed as to why more people with disabilities aren't investing in themselves and their futures.

I have heard countless stories of people with disabilities who desperately want to work, but are trapped in a web of government programs that cause tremendous disincentives to work. Actually working (or attempting to work) feels like punishment. Imagine what it would be like if you were penalized for getting married to a working spouse or saving more than \$3,000 to cover financial emergencies, take a vacation, or save for retirement, and that your economic situation worsens if you earn more than \$500 per month. The biggest fear among most unemployed people with disabilities is that they will lose their vitally needed health care

if they go to work. This causes many people with disabilities to see work as life-threatening.

One out of five Americans has a disability. The number of people with disabilities ages 17-44 increased 400 percent over the last 25 years. Just in the last two minutes, 104 more Americans became disabled.

This is a time of enormous opportunity. Let's tap into a huge market. Let's turn dependence into independence. And finally, let's keep the promises embodied in the ADA and give everyone a chance to dream and live up to their full potential.

— Wendy S. Brower, Hopkins. Executive director, the Disability Institute.

## Wendy S. Brower

---

### Professional Summary

Innovative, results-oriented and energetic administrator with 19 years leadership experience in managing and implementing incentives and programs designed to promote and integrate the contributions of people with disabilities and women into the workplace and community. Consumer advocate with extensive background in analyzing and interpreting public policy initiatives, statutory laws and regulations, and legal issues with employers and community-based organizations and groups.

#### Demonstrated expertise in:

- Utilizing interpersonal skills to bring together and incorporate diverse interests and views into organizational and community incentives;
- Designing achievable, cost-effective goals and initiatives;
- Implementing educational programs and training sessions that generate employer/employee involvement and achieve effective organizational outcomes;
- Analyzing and interpreting employment and workplace implications of federal and state statutes and legal issues in a cohesive and understandable manner;
- Increasing public awareness about disability-related issues.

### Professional Highlights

#### *Executive Director, The Disability Institute*

- Established the non-profit organization as a recognized leader in Minnesota on disability-related issues, particularly the employment of people with disabilities.
- Provided direction to and conducted training sessions on disability-related employment issues for the state of Minnesota Work Force Centers, and a variety of nonprofit and for-profit organizations and community groups.
- Researched and presented information exploring policy barriers that induce a 71 percent unemployment rate for people with disabilities for University of Minnesota-sponsored public policy conference "Policy Analysis: Entering the New Millennium."
- Increased public awareness about people with disabilities in electronic and print media through appearances on Minnesota Public Radio's *Mid-Morning*, KTCA's *Almanac* and KFAI's *Disabled and Proud*, and publication of articles and commentaries in the *Minneapolis Star Tribune*.
- Acted as community catalyst to address disability-related issues by contacting and coordinating the participation of national broadcast journalist John Hockenberry (wheelchair user) as the featured speaker for a community-wide event.

#### *Training Coordinator, Disability Services, University of Minnesota*

- Developed and implemented innovative programs and strategies to assure University of Minnesota compliance with disability-related federal and state statutes.
- Designed and conducted training workshops for more than 1,000 persons associated with the University of Minnesota educational community on a wide variety of disability-related issues.
- Analyzed outreach materials, and developed and created revisions with new approaches to meet changing needs.
- Researched and prepared analytical reports for use by the academic community on a wide range of disability-related issues.

#### *Principal, Bower and Associates, Inc.*

- Provided long-term consultation and training services to city of Minneapolis and selected school districts during implementation of Americans with Disabilities Act.



**Professional  
Highlights  
(cont.)**

***Director, Programs and Community Affairs Department,  
Minnesota Multiple Sclerosis Society***

- Administered the agency's statewide direct services, innovative consumer programs and advocacy efforts related to civil rights and health care.
- Developed and monitored the department's annual \$1 million budget.
- Initiated a statewide project to promote barrier-free access and a consumer-driven advocacy program.
- Organized the first "Celebrate ADA" event bringing together more than 1,000 people with disabilities, community leaders, and federal and state officials to honor passage of the Americans with Disabilities Act.
- Researched, wrote and presented testimony before public policy makers.
- Represented the agency with the general public, legislators and funding sources.

***Legislative Specialist, Minnesota State Council on Disability***

- Served as principal liaison to the Minnesota governor, legislature and other branches of state government on matters related to disability policy.
- Analyzed legislative and judicial policy directives.
- Formulated policy recommendations and legislative priorities and strategies.
- Served as spokesperson for the Council and its positions with other government groups and relevant associations.
- Strengthened the agency's effectiveness through consolidated and improved program development, outreach efforts, and inter-agency cooperation and collaboration.

***Director, Project Self-Sufficiency***

- Administered federal grant-funded pilot program to transition 100 low-income, single parent families into the economic mainstream.
- Designed cost-effective program goals and strategies, and developed and implemented overall program evaluation.
- Managed case management plans and all official records.
- Served as principal community liaison to broad-based support services network.

***Executive Director, Minnesota Working Women***

- Administered non-profit organization to address issues affecting low-income, employed women.
- Collaborated with wide range of community organizations and public institutions.
- Designed and coordinated career-related skills workshops and conferences.
- Represented the organization with the public and city of Minneapolis.
- Analyzed public policy, researched work-related issues, and prepared reports for community action.

**Professional  
Employment**

1996 – Present  
***Executive Director***

**The Disability Institute**  
Minneapolis, Minnesota

1994 – 1996  
***Training Coordinator, Disability Services***

**University of Minnesota**  
Minneapolis, Minnesota

1992 – 1994  
***Principal***

**Bower and Associates, Inc.**  
Minneapolis, Minnesota

1989 – 1992  
***Director, Programs and Community Affairs***

**Minnesota Multiple Sclerosis Society**  
Minneapolis, Minnesota

1986 – 1989  
***Legislative Specialist***

**Minnesota State Council on Disability**  
St. Paul, Minnesota

**Professional  
Employment  
(cont.)**

1985 - 1986  
*Director*  
  
1980 - 1984  
*Executive Director*

**Project Self-Sufficiency**  
Minneapolis, Minnesota  
  
**Minnesota Working Women**  
Minneapolis, Minnesota

**Professional  
Education**

1973  
**Post Graduate Study**  
  
1972  
**Master of Arts; Secondary Education**  
*(Teaching Assistant)*  
  
1970  
**Bachelor of Science; Education**

**University of Minnesota**  
Minneapolis, Minnesota  
  
**Mankato State University**  
Mankato, Minnesota  
  
**Mankato State University**  
Mankato, Minnesota

**Professional  
Contributions  
(Highlights)**

1998 - Present Co-Chair, Leadership Council on Disability and Employment Issues,  
Minnesota  
  
1998 Citizen's League Study Committee on the Minnesota Labor Shortage  
*Policy and background resource on disability-related issues  
throughout preparation of major report, "Help Wanted: More Opportunities than  
People," addressing the labor shortage in Minnesota.*  
  
1996 - Present US WEST Communications Consumer Advisory Panel  
  
1996 - Present Minnesota Consortium for Citizens with Disabilities  
  
1996 - Present National Society for Disability Studies  
  
1995 - 1998 Human Rights Commission, City of Hopkins, Minnesota  
  
1995 - 1998 Board of Directors, Sojourner Project, Hopkins, Minnesota  
  
1994 - 1997 Board of Directors, Epilepsy Foundation of Minnesota  
  
1994 - 1996 Member, Association for Higher Education and Disability (AHEAD)  
  
1990 - 1992 Board of Directors, United Handicap Federation, Minnesota  
  
1989 - 1992 Minneapolis Advisory Committee on People with Disabilities  
  
1984 Founding Committee, Minnesota Women's Fund  
  
1982 - 1984 Board of Directors, Helping Industry Resolve Employment Disabilities  
(HIRED), Minnesota  
  
1981 - 1983 Minnesota Women's Political Caucus  
  
*Charter Member* American Association of People with Disabilities

**So, you have an opinion  
on how the **DNR** should work?**

## **WATCH OUT**

**you can be disciplined and fired,  
(with the blessing of Human Resources)  
for such.**

**It is our opinion that YOU are in a position to  
deal with such leadership insecurities.**

**WANTED: Mature, emotionally balanced  
leadership.**



## Minnesota Department of Natural Resources

500 Lafayette Road  
St. Paul, Minnesota 55155-4000

October 6, 1998

ent

I have previously communicated to you the DNR Workplace Behaviors and my expectation that all Bureau of Real Estate Management employees comply with them. The established DNR Workplace Behaviors are as follows:

We respect others  
We are open and honest  
We work together  
We respect departmental processes

Recently I have been made aware of workplace behaviors occurring within the Bureau that are job related and inappropriate, and they will not be tolerated. Therefore, I am issuing this reminder to all Bureau staff:

Statements or comments about the personal lives of co-workers or supervisors, about personal issues involving co-workers or supervisors, or comments or opinions you have about the work performance or expectations of co-workers or supervisors are inappropriate and are to cease immediately.

This letter is a reminder about the importance of this issue, and it is not to be interpreted as disciplinary action.

I encourage you to bring to your supervisor or to me any communication you find contrary to the above.

Sincerely,

  
James E. Lawler  
Administrator

NEWELL P. WEED JR.

55 HOLLY LANE  
PLYMOUTH, MN 55447

Nov. 23, 1998

Emily Ann —

The attached was The earlier  
Proposal of The "Sr. Federation" to  
Replace The "Homestead Property Tax" -

- It proposed an Income Tax to support  
These Local needs - As an example only to show  
The \$ amounts needed could be raised with  
a graduated Local Tax -

- It is not, however, for The Federation  
to prepare The details of a formula To Replace  
The Present Tax (present formula) - but Rather,  
I feel, for a committee of citizens appointed  
by Gov-Elect Ventura (or his transition Team)  
to explore this in detail and submit one  
or several alternatives to The Gov. and his  
Team -

Then if it is approved it is "his"  
Proposal "for The Legislature to consider -

I know The "committee idea" is  
Savored by Swiggum - and This is what  
I would hope we could move forward on as soon  
as possible - I would be glad to Help

In any way - Put together a group - serve  
on The Committee - meet with a committee or  
transition group to explain and review our  
thoughts and research - There are many alternatives -

- But I do volunteer to help  
as I feel "Property Tax Reform" can  
be a signature accomplishment of  
The Ventura - first year !!

Most Sincerely -

Nent -



**The Minnesota Senior Federation — Metro Region**  
**Tax / Social Security Committee**

Marlowe Hamerston, Chairman • 1885 University Ave. W. • Suite 190 • St. Paul, MN 55104 • 651-645-0261

Home: 771 Larson Lane • Shoreview, MN 55126 • 651-484-4615

To: All Parties Interested in the Reformation of Local Governmental Funding  
From: Tax/Social Security Committee of the Minnesota Senior Federation, Metro Region

The Metro Region of the Minnesota Senior Federation wishes to place before you an issue that has long plagued our state: Minnesota's property tax system.

Accompanying this letter is a booklet that explains the fiscal feasibility of replacing the present property tax system with a graduated local income tax, as well as the reasons for the need for such a replacement. We have not spelled out all the details. When President Kennedy said that America would go to the moon in the decade of the 60s, he explained neither the seating arrangements in the cabin nor injection system of the rockets. He set a goal for us to achieve. The Senior Federation has set the replacement of the property tax system on homestead property as its goal for the 1999 legislative session. We hope you share in our quest for fairness in our taxation system. Our state must not move into the 21st century with a tax system which was designed for an 1850s society.

Our proposal would decrease, on the average, the property tax for 80 percent of Minnesotans. It would eliminate the problems inherent in the present property taxation system. A poll published in the September 2nd issue of the St. Paul Pioneer Press showed that when voters were asked which tax they favored reducing, 49 percent said the property tax should be the first tax to be reduced. The urgency for action on the property tax is recognized by the citizens of our state if not by our legislators. It is necessary for the citizenry to rise up and demand legislative action in 1999. We solicit your support for our efforts during the next legislative session.

We would like you to study our proposal. Feel free to contact the Tax Committee Chairman if you have any questions or require further clarification on the proposal. In doing so, you should use the home address and phone number shown on the letterhead.

Sincerely,

*Marlowe Hamerston*

**A Plan  
to Replace  
the  
Homestead  
Property Tax**

Minnesota Senior Federation, Metro Region  
Tax/Social Security Committee  
Marlowe Hamerston, Chairman  
651-484-4615

## Introduction

Consider this: If you bought a car in 1990 and have had to make 41 major repairs since then, 12 of them in just the past year, would you keep on repairing it? Obviously, most Minnesotans would opt to junk that lemon.

Since 1990, Minnesota's present property tax system has undergone 41 major changes with 12 of those major changes taking place in the last legislative session. The time has passed for Minnesota legislatures to continue making major changes; the time has come to junk this outdated, unfair, and regressive lemon of a taxing system.

Edwin Selagman made the following observation regarding the property tax system in his book entitled "Essays and Taxation":

"Practically, the general property tax as actually administered is beyond all doubt one of the worst taxes known in the civilized world. . . . In short, the general property tax is so flagrantly inequitable, that its retention can be explained only through ignorance or inertia. It is the cause of such crying injustice that its alteration or its abolition must become the battle cry of every statesman and reformer."

Selagman wrote this in 1895.

Minnesota's property tax system is a relic of the 1850s. At that time, as now, there was a need for funding of schools and local governments. Technology was not available to tax a citizen's income so government taxed the obvious — a person's property. The assumption was that if you owned twice the land as someone else, you could earn twice the income. The property tax was a de facto income tax. The property tax was designed for the social and economic structure of the 1850s. Our 140-year-old system does not work in today's society. As we move into the 21st century the homestead property tax needs to be abolished as the source of school and local governmental funding.

### **There are two major points to remember in dealing with the property tax issue:**

**First:** All taxes are paid from a person's income. A 75-foot lot in a Minnesota city does not earn money with which to pay property taxes. A tax on property may have worked in an agrarian society, but it does not work in our present-day urban society. The reality is that all taxes are paid from one's income. Study after study has concluded that there is no relationship between the property taxes assessed Minnesotans and their ability to pay these taxes.

**Second:** When Moses came down from Mount Sinai, he did not carry a tablet that said, "Thou shalt have a property tax." We need a method of funding local government services, but it does not need to be the present property tax system. Let us base local funding on the tried and true principle of taxation based upon the "ability to pay."

The property tax has support from those whose thinking on tax policy is mired in the 1800s. You will have naysayers tell you it cannot be done. The abolition of a tax, a property tax, is not without precedence. The personal property tax was abolished in Minnesota several years ago when the inequity of this tax was recognized. It is time for legislators to recognize that the present property tax system has reached the end of its viability as a fair and equitable source of taxation and take legislative action to abolish the last remnant of property taxation.

Legislators who are capable of independent thinking must lead the way in putting aside the outdated and outmoded tax policy of the 1850s and move our state into the 21st century. Minnesotans have heard enough election-time promises by legislators who say that they will "reform the property tax system." The time has passed for reform. Over the past 140 years, the legislature has made 184 attempts at making it fair and have failed. The basic premise upon which the property tax is based, that homestead property earns income, is false and thereby makes it impossible to ever be made fair. The time has come to replace the homestead property tax, and those legislators who choose not to commit to this action need to be replaced by those who will work to accomplish this task.

**Solution: Replace the property tax with the tax it originally was based upon, an income tax.**

There are differences between homestead and commercial/industrial (C/I) properties which dictate that the Federation plan should not include these properties. C/I properties earn money with which to pay their taxes, homestead properties do not. It should be noted that C/I properties also have the ability to pass the cost of their property taxes on to consumers of their goods or services. The Department of Revenue has concluded that 44 percent of commercial property taxes and 88 percent of manufacturing property taxes are exported — are paid by people living outside Minnesota. In order to keep our proposal as simple as possible, C/I properties are omitted from our plan.

The Federation proposal does not include rental property. We are concerned about how to insure that the savings from the abolition of the property tax on rental property would be passed on to the renter. For simplicity's sake, we dropped rental property from our plan.

The Federation proposal does not include second homes or seasonal recreational properties. Many seasonal properties are owned by non-Minnesota residents which complicates the equation, so it was also dropped from our proposal.

We feel that when our program succeeds in providing fair and equitable funding for local governments, that the problems associated with both rental and seasonal properties will easily be overcome.

The information that follows, shows the fiscal viability of replacing the present property tax with a local income tax. A dollar-for-dollar replacement assures there would be no loss in local governmental or school services. There may be problems to be solved, but with patience and cooperation, it can and will be done. None of the problems of our proposal are nearly as formidable as making sense of our present system. The 184 attempts to make the property tax fair by past legislatures is ample proof of that.



## Why Eliminate the Property Tax?

- **The property tax is the only form of unlimited taxation in existence.**

There is no limit to the percentage of a person's income that can be assessed in property taxes. The sales tax is limited to 6.5 percent of the amount of a purchase and the top income tax rate is limited to 8.5 percent of a person's income. The present property tax system has been documented to be taking from 10 percent to even 50 percent of many Minnesotans' income. Read the case studies at the back of this booklet.

- **The property tax affects to the greatest degree our most vulnerable citizens.**

We all feel compassion for those Minnesotans who have been forced from their homes by the floods, tornadoes, and other natural disasters in the past two years. The citizens of our state, as well as our government, have provided aid quickly to those who were displaced from their homes. This is as it should be. However, it is just as great a trauma for widows, retired farmers or factory workers to be forced from their homes by their own government — not a tornado or flood — but by their own government because their income has not kept up with the continued increases in market valuations.

- **Most taxes tax your assets. The present property tax system also taxes your debt.**

If you purchased a \$75,000 home today and put down \$5,000, the present property tax system would immediately begin taxing not only your equity, but would also require you to pay property taxes on your \$70,000 debt. You pay taxes on the portion of your home's value owned not by you, but owned by your mortgage company.

- **The practice of "blanket" reassessment is outrageously unfair.**

It gives consideration neither to the individual properties nor to the harm caused by raising taxes on an entire neighborhood regardless of the condition of an individual property. Just because a community has a "rich" property tax base does not mean that every individual taxpayer in that community is also "rich."

- **Property taxes are based on future earnings, not on the present reality.**

A homeowner will collect profit from the change in his property's value only if and when a sale ever takes place. Minnesotans are being taxed on the basis of a sale that has not taken place, to a buyer who does not exist, at a price estimated by the assessor many years before the actual sale. There is no basis for the use of a taxation system based upon projected earnings. You cannot pay present day taxes with future earnings.

- **The present property tax system is psychologically unsound.**

It seems we have forgotten what we learned in Psychology 101. When training your dog to fetch, you give your pet a reward for bringing back the ball. When your children do something commendable, you give them praise and positive reinforcement. And what is the psychology of the present property tax system? If you let your property run down and help create a slum, your reward is lower property taxes. If you keep your property in good condition or, God forbid, improve your property, your reward is higher property taxes. No wonder our cities are deteriorating.

## The Estimated Cost of Replacing the Property Tax With a Local Income Tax

The data used in this analysis is from the Minnesota Department of Revenue publication, "1997 Minnesota Tax Incidence Study." More specifically, we will use the information from page 4, Table 2-1, *Minnesota State and Local Tax Collections in 1994*. While all the data in this publication are for the year 1994, it is safe to extrapolate the assumptions made to the present, as well as the future, because of the stable economy.

From Table 2-1 Minnesota Local Tax Collections in 1994

|                                      |                    |
|--------------------------------------|--------------------|
| Gross property taxes (after credits) |                    |
| Homestead property taxes             | \$1,466,000,000    |
| Property taxes on second homes       | 105,000,000        |
| Rental property taxes(residential)   | 449,000,000        |
| Total residential property taxes     | \$2,020,000,000 *  |
| Total Property Tax Refunds (PTR)     | -\$166,000,000     |
| Total Residential Replacement Cost   | \$1,854,000,000 ** |

From Table B-2(a) "HOMEOWNERS"

|                                 |                     |
|---------------------------------|---------------------|
| Total Homeowner taxes after PTR | \$1,430,322,000 *** |
|---------------------------------|---------------------|

Explanation of the amounts needed to replace income from the present property tax system.

\* Amount needed before considering the Property Tax Refund (PTR). No export.

\*\* Amount needed after eliminating PTR funding. No export.

\*\*\* From Table B-2(a) amount needed to cover only homeowners after PTR.

Conclusion: The amount of monies needed to replace all residential property tax income lies between \$1,854,000 and \$2,020,000,000. We will target the \$1,430,322,000 value which is the cost of replacing the property taxes on only homestead property. Our proposal is to replace only the property tax on homestead property. Seasonal and rental properties could very well be included in the overhaul of local governmental funding, but to make our proposal as clean and easy to implement as possible, we have not included them in this proposal.

Business property taxes are not addressed and would need a replacement revenue of \$2,037,000,000. How this would be done, if indeed there is a desire to have it done, is left to the commercial-industrial property organizations.



Tax Burden by Population Decile — Homeowners

| Population<br>Decile   | Income<br>Range    | Total Household<br>Income | Homeowner Tax<br>after PTR | Local<br>Tax | Revenue from<br>Local Tax Rate |
|--|--------------------|---------------------------|----------------------------|--------------|--------------------------------|
| First  | \$0 - \$6,384      | \$166,314,000             | \$21,866,000               | 0.50%        | \$831,570                      |
| Second   | \$6,384-\$9,881    | \$417,050,000             | \$27,339,000               | 1.00%        | \$4,170,500                    |
| Third  | \$9,881-\$14,594   | \$811,163,000             | \$39,782,000               | 1.20%        | \$9,733,956                    |
| Fourth   | \$14,694-\$19,609  | \$1,505,698,000           | \$62,891,000               | 1.40%        | \$21,079,772                   |
| Fifth  | \$19,609-\$25,421  | \$2,429,954,000           | \$79,511,000               | 1.60%        | \$38,879,264                   |
| Sixth  | \$25,421-\$32,108  | \$3,655,490,000           | \$103,827,000              | 1.80%        | \$65,798,820                   |
| Seventh  | \$32,108-\$40,785  | \$5,829,247,000           | \$154,431,000              | 2.00%        | \$116,584,940                  |
| Eighth   | \$40,785-\$52,073  | \$8,291,374,000           | \$196,477,000              | 2.30%        | \$190,701,602                  |
| Ninth  | \$52,073-\$70,567  | \$11,262,667,000          | \$255,125,000              | 2.60%        | \$292,829,342                  |
| Lower 5%   | \$70,567-\$92,167  | \$7,716,257,000           | \$489,073,000              | 2.90%        | \$223,771,453                  |
| Mid 4%   | \$92,167-\$206,869 | \$9,718,853,000           |                            | 3.20%        | \$311,003,296                  |
| Top 1%   | Over - \$206,869   | \$9,395,509,000           |                            | 3.50%        | \$328,842,815                  |
|  |                    |                           |                            |              |                                |
| <b>Totals</b>  |                    | \$61,199,576,000          | \$1,430,322,000            |              | \$1,604,227,330                |
|  |                    |                           | Amount needed              | >>>>>        | \$1,430,322,000                |
|  |                    |                           | Over-collection            |              | \$173,905,330                  |
|  |                    |                           |                            |              |                                |
|  |                    |                           | Using FAG income           | #####        | \$1,430,970,778                |
|  |                    |                           | Amount needed              | >>>>>        | \$1,430,322,000                |
|  |                    |                           | Over-collection            |              | \$648,778                      |
|  |                    |                           | Average percent            | 2.34%        |                                |
| Source: 1997 Minnesota Tax Incidence Study - Minnesota Department of Revenue |                    |                           |                            |              |                                |

## Tax Burden Table

The table on page 5 is a condensation of Table B-2(a) of the *Tax Incidence Study* and shows the amount of revenue that would be raised with a modest graduated local income tax.

This table shows that the maximum amount of revenue needed to cover what is presently raised by the homestead property tax to be, \$1,430,322,000. The amount of local income tax that would be collected by the proposed rate scale is \$1,604,227,330 when using "Household Income." This is \$173,905,330 beyond what would be required to make a revenue neutral exchange of taxation systems. The Property Tax Refund has already been taken into account in the cost estimate. The overage in collection is obviously too large but should be more than enough to cover any fiscal contingencies that may have been overlooked.

Consider also that in the next biennium there is a predicted surplus of \$500,000,000 with 71% of that amount coming from individual income tax receipts. This makes available almost a billion dollars to implement the change in taxing systems.

The overage and any other available monies could be used to avoid the complicated computation of "Household Income." Instead, the "Federal Adjusted Gross" income could be used for computing a taxpayer's local income tax obligation. There would still be an overage of \$648,778 if the Federal Adjusted Gross income was used.

Attempts to make adjustments in the present property tax system always requires the influx of additional monies from some source to pay for the adjustments. Our approach pays for itself. No additional funding is required. It is strictly a change in the method of funding schools and local governments.

If you cannot support this proposal, we challenge you to come up with a plan for the reformation of the present homestead property tax system which would:

- 1) eliminate the problem of unlimited taxation,
- 2) keep the widows and retirees of our state in their homes.
- 3) eliminate the problem of taxation of debt,
- 4) eliminate blanket market value increases, and
- 5) change the psychology of the system,

And you must accomplish this with no additional money being spent.

Only then can you say the Federation's proposal is unacceptable.

The replacement of the present market value system of property taxation for homestead property is not a financial problem. It is, in fact, a "Slam Dunk!"

What is needed now is the emergence of a gubernatorial candidate along with enlightened legislative candidates who will lead the taxpaying citizens of Minnesota with the battle cry that Edwin Selagman longed to hear back in 1895: **Abolish the property tax!**

### Some Final Thoughts:

There will be communities whose populations may not have income levels necessary to provide the funding which that community may require. Our present market value system has communities that do not have sufficient property values to produce adequate local funding. We have ways to subsidize communities in these situations with our present property tax system, and we see no problem in applying continued aid with a local income-based tax system.

It has been said that additional income taxes would raise our ranking in state income tax comparisons, and thereby, make our state uncompetitive. It seems like only yesterday we were told that it is Minnesota's property tax that makes us uncompetitive. The tax proposed is not a state tax but a local income tax which should not affect any state income tax ranking. Without a property tax, Minnesota not only would be at the absolute bottom of state property tax rankings but would become the first state to abolish the homestead property tax. We would be the envy of every state in our nation. The time has come for Minnesota to lead the way in real tax reform as Minnesota has done so often in other major areas.

To those who are running for public office, we ask, "Is your platform for unlimited taxation?" Do you agree that some Minnesotans should pay 10 percent or 20 percent or 30 percent or more of their income in property taxes without regard for their ability to pay the assessed taxes? These are the property tax taxation rates paid by many Minnesotans some of whose incomes are at the poverty level. Do you expect these Minnesotans to vote for you when you support the continuation of the present property tax system? On the pages that follow are several case histories of Minnesotans who are struggling to remain in their family homes. Please read about their plight. They need and deserve your help.

We often hear that the property tax must be retained because it is a "stable source of taxation." When the economy turns down, the revenues from income taxes and sales taxes decrease, but the property tax receipts are relatively steady. Should government care that the homeowner may be under-employed or unemployed in bad times? The homeowner will need to come up with the property tax money or his family will be out of a place to live. The property tax may be stable for government, but it is anything but stable for the taxpayer. It is, in fact, the greatest destabilizing factor that could be devised for families in times of an economic recession. Taxpayers will end up paying an even greater percentage of their income on the property tax just to maintain government's "stable source of taxation."

We often hear the three forms of taxation compared to a three-legged stool. The income tax is one leg and sales and property taxes are the other two legs. And any fool knows a three-legged stool is stable; therefore, in order to have a stable taxation system, we must have all three forms of taxation. And just as Pinocchio's wooden nose grew with every lie, the property tax leg of that famous stool grows with every legislative session in spite of the rhetoric about property tax reform. It may be nice to have a three-legged stool, but we do not need three taxation systems. For the government of the state of Minnesota to maintain the property tax at the expense of the well-being of its citizens because of its so-called "stability" is an abomination.

Join in our efforts to replace the property tax.

## Property Tax Case Studies of Several Minnesota Taxpayers

**Case 1:** This retired Marine officer lives north of Alexandria, Minnesota. He fought on Guadalcanal and Bougainville in the South Pacific during World War II. He began the war as an enlisted Marine and fought with such bravery and skill that he received a battle field commission. He continued in the service of the United States Marines and fought in the Korean conflict. His service in the Marines and to our country is long and distinguished. This war veteran retired to his modest home on Lake Carlos with the hope that he could spend his well-earned retirement enjoying life in Minnesota. He is not enjoying life right now because it is property tax time. He is trying to come up with half of his \$3,200 property tax bill from his retirement income of \$25,920. That is over 12 percent of his entire income and with the \$470 property tax refund he is still paying over 10 percent of his income on the tax. This is about five times what the average Minnesotan pays on property taxes. At age 82, this veteran's consumption of local services does not reflect the disproportionate tax that he is paying. It is ironic that at a time when the legislature is considering the construction of a memorial to the veterans of the Korean War that the property taxing policy of our state is forcing many retired veterans from their homes or at least lowering their standard of living through the imposition of excessive property taxes. This Marine would prefer a limitation on his property taxes to having his name inscribed upon a slab of granite.

**Case 2:** This farmer and his wife farmed in Douglas County for many years. Upon retirement they subdivided a portion of their farm, keeping one of the lots which lies on the shores of one of the many area lakes. Their only income is from Social Security which amounts to less than \$12,000 per year. Their property tax has risen over the years to \$4,084. This is 34.5 percent of their poverty level income. The couple's ages are 82 and 80 years, respectively. They cannot continue to live in their home much longer with the continual rise in property taxes. In fact, they are able to remain in their home only because their daughter helps them pay their property taxes. Having lived through the great depression and a succession of wars, it is ironic that now in the twilight of their years in a time of peace and prosperity, they are being forced from the land they tilled for their lifetime by an out-of-control property tax system.

**Case 3:** This widow and her late husband built their home in 1979. It is a modest two-bedroom home. She estimates the original cost at \$90,000. The present (1996) market value according to the assessor is \$130,000 for an increase in valuation of 44.4 percent. The present property tax is \$2,400. The widow's total income is a social security check for \$1,025 each month or a yearly income of \$12,300. She is paying 20.3 percent of her income on property taxes. If the reduction provided by the present circuit breaker is considered, she is still paying 16.2 percent of her income on property taxes. The widow is paying nearly twice the percentage of her income on property taxes that a millionaire pays on his income tax. There is no relationship between her taxes and the services provided by local government.

**Case 4:** This former printer for the Star Tribune and his wife live on her childhood homestead. Their home lies on the only part left of the 20 acres owned by his wife's family since 1903. They tore down the original cottage and began building their retirement home in 1977. They did most of the work themselves. They have put both heart and soul into their home and they had hoped to stay there for their lifetime. Since 1980, there have been no additions or improvements made to their home. The "Market Value" has increased from \$64,900 in 1978 to \$350,800 in 1995. This is an increase of 540 percent. Their taxes have increased from \$1,051 in 1978 to \$8,305 in 1995 which is an increase of 690 percent. The Consumer Price Index (CPI) increased only 134 percent over the same time span. How can a home's value increase at a rate five times that of the CPI? They have had a yearly increase in market value of \$48,000 once and increases of over \$30,000 on three other occasions. This tradesman is retired on a fixed income. His income has not increased 690 percent but rather has decreased since his retirement. In 1995, he paid over 26 percent of his income on property taxes. Considering that the top rate for Minnesota Income taxes is 8.5 percent, the percentage of his income that is spent on property taxes is far beyond a reasonable amount. His income is less than half the \$88,000 needed to be earned to reach the 8.5 percent income tax level.



**Case 5:** This taxpayer resides in Shoreview, Minnesota. Her husband is retired, but she is working. Her only reason for working is so they have the means to pay their property taxes. Without her earnings, they would be forced to move from their home. The market value of their home rose \$26,500 this past year. This is more than her yearly income. Right now, half of her income goes to pay their property taxes.

**Case 6:** This taxpayer lives in Minneapolis and is presently in the process of selling her home. She does not want to sell the home she and her late husband lived in, but with property taxes taking 40 percent of her income, she has no choice. She has struggled to have her home appraised at a value more in line with its actual value but had no success. In fact, the whole county assessor process turned into a nightmare. While neighbors, who improved their homes with additions and remodeling, received little or no valuation increases, her property's value climbed steadily. When she complained to the assessor's office, she was met with behavior bordering on harassment. As a widow, she was an easy mark to be intimidated into accepting whatever value the assessor chose. The notion that those who are over-taxed will go to city hall and, in some way, cause fewer expenditures at that level is a myth. Many taxpayers are physically not able to do so. They do not know the ins-and-outs of initiating change. They rely on the compassion and intelligence of those they elect to the legislature to protect them.

**Case 7:** This taxpayer was forced to sell his family home and move from the city he lived in most of his life. He moved because he was paying 50 percent of his income on property taxes. His property taxes at the time of the sale were over twice as much as the original purchase price of the property. Again: His property taxes were over twice the original purchase price of the property. Those hurt the most by the upward spiral of market value and the accompanying property taxes are those Minnesotans who have lived a long period of time in their homes. Just because a person lives a long period of time in their home, does not mean he has the income to pay the increased property taxes that result from this unlimited form of taxation. Studies by many government departments agree that the market value of a person's home has no relationship to their ability to pay the assessed taxes.

**Case 8:** This Minnesotan achieved the goal all homeowners look forward to: Paying off the mortgage. The reality is that he still does not own his homestead. His property taxes are 3.5 times what his mortgage payment was. Presently, Minnesotans do not own their property but are merely renting it from the state by paying property taxes. The market value of his home has increased 944.5 percent while the CPI increased only 382 percent. There is no valid relationship between market value increases and what is happening in the real world. Let us agree to the obvious: Market value increases are made solely to increase revenue without raising the tax rates. This taxpayer reads in the newspapers that in 1998 his property taxes will go down because of the decrease in tax rates. They may go down for some people but they did not go down for him. They went up because the market value of his home increased \$20,100. If the legislature thinks this sleight-of-hand maneuver of decreasing the tax rate while increasing market values goes undetected by ignorant taxpayers, they are sadly mistaken. The electorate is aware of this deceptive exchange of something for nothing and the process must be rectified by abolishing the homestead property tax and base local government funding on the ability to pay — use a local income tax for local funding.

**Case 9:** This is a case that has been in the newspaper both in 1995 and 1997 and the problem still persists. It is the case of Billie Young, widow of former St. Paul School Superintendent George Young. It was reported in the September 3, 1995, issue of the Pioneer Press that Mrs. Young was paying 30 percent of her income on property taxes. The Youngs purchased their home in 1971 for \$52,000, and it increased in value to nearly \$400,000 in 1995 an increase of 669 percent. In the same time frame, the CPI went up only 276 percent which means the market value of the home went up 2.4 times faster than the CPI. Once again there is no reality between the market value increases and what is happening to the cost of living index. Mrs. Young made the Pioneer Press again on November 28, 1997. It was then reported that the market value of her home had risen from "almost \$400,000" to \$452,000. In the two years from 1995 to 1997, the market value has risen over \$52,000 or an increase of 13 percent. The CPI increased only 5.6 percent over the same period. Collecting 30 percent of one's income on property taxes is unreasonable and such excessive taxation must be corrected in the 1999 legislative session.

## Property Tax Resolution

WHEREAS; The Minnesota Senior Federation supports progressive forms of taxation based upon the ability to pay rather than regressive forms of taxation which have no relationship to a person's ability to pay the assessed tax; and

WHEREAS; The present property tax system is a regressive tax, adversely affecting those homeowners who have lived in their homes a long period of time; and

WHEREAS; The amount of residential property taxes assessed depends upon the market value of one's home and studies have shown that the value of a person's home has no relationship to the ability of the homeowner to pay their property tax; and

WHEREAS; Unlike the income tax system which limits the percentage of a taxpayer's income that can be collected in income taxes, and unlike the sales tax which limits the amount of sales tax that can be collected from a purchase as a percentage of its cost, the present property tax system has no limit on the amount of property taxes that can be collected from a renter's or homeowner's income; and

WHEREAS; It has been documented by the Minnesota Senior Federation that many seniors are paying a percentage of their income on property taxes, far beyond the maximum 8.5 percent of one's income that can be collected in income taxes. Some homeowners are paying up to 40 and more percent of their income on property taxes and as a result, this method of unlimited taxation is driving many Minnesotans from their homes, especially the widowed and the elderly; and

WHEREAS; The political promises made by past and present legislators to make Minnesota's property tax system equitable and fair have not been kept; and

WHEREAS; Continued efforts by past and present Minnesota Senior Federation Tax committees to have enacted legislation that would resolve the property tax problem for all Minnesotans, the young and the old and everybody in between, has been met with no resolution of the problem; and

WHEREAS; It is the opinion of the present Minnesota Senior Federation Tax Committee that continued attempts to make the present market value based property tax system into a suitable, adequate, and fair system for funding of cities, counties, and school districts is an impossible task; NOW, THEREFORE,

BE IT RESOLVED that the present regressive market value property tax system of funding cities, counties, and school districts be abolished and that the Minnesota Senior Federation work with other individuals and organizations to find a suitable progressive replacement which provides adequate funding for local governments and schools while maintaining fairness to all, and that this property tax replacement be developed for consideration during the 1999 legislative session.

Dated: April 13, 1998



## Areas for Study

### A. The Federation proposal is for the replacement of only the homestead property tax.

The fear by some is that with commercial-industrial (C/I) properties in a different category of taxable property, that local governments would raise C/I property taxes because they have no vote and not raise the income tax on homestead property owners because they vote.

Response: Put into law that any percentage rise in C/I property taxes must be reflected in the same per centage rise in homeowner income taxes. Laws can change with each legislature and therefore some feel such a mandated proportion would best be handled with a constitutional amendment.

### B. How should the income tax rate be applied and/or collected? There are two possible ways:

#### 1. Apply a uniform percentage statewide as shown in our fiscal spreadsheet.

**Pro:** Everyone in the state pays the same percentage of their income for local services. No individual will pay more than the listed percentage of income. The goal of equalization of contributions toward local funding has been achieved. The collection could be easily done by the state.

**Con:** This raises the question as to how the collected funds would be distributed to the local governments and schools? Possible Response: Presently the state distributes aids and grants to various local governmental bodies such as school districts, without too much difficulty. There must be some criteria for the distribution of funds that would be acceptable to all levels of government.

#### 2. The second way of applying and collecting the income tax would be on a county basis much as is now done with the property tax. The governmental units would certify with the county auditor what revenues they require and a local income tax rate would be set which would meet the requirements.

**Pro:** This would keep some of the accountability at the local level. It is not as great a change as state wide collection and distribution by the state. This would give local governments a system that they had greater control than in a state run program. The tax rate could be set for that county exclusively. If the tax was applied in on a regional basis ( seven county metro unit) it may slow urban sprawl. Many move to areas farther out from the center city because of lower property values and taxes. Our proposal would remove that motivation.

**Con:** The advantage of a universal percentage of every Minnesotan's income would be lost in this arrangement. There would be pockets of high incomes where the income tax rate would be low and there would be pockets of low incomes. Where these pockets of low incomes reside, there would more than likely be the need for supplemental aid from the state. This is not unlike what is experienced presently with pockets of properties with low valuation. The state provides supplemental funding for these areas so there is not as big a change as might be expected. Areas with low property values are probably areas with low incomes — but not necessarily.

### C. What income should be used as the basis for the tax?

The Federation proposal showed the results using household income and Federal Adjusted Gross income. They were used because they were the incomes available to us from the Tax Incidence Study. The suggestion has been made to use the State of Minnesota income tax liability as the standard. This mechanism for collection is already in place and would solve many administrative problems. The rate of taxation need not be the scale shown in our proposal. Minnesota's income tax rates are progressive enough that a fixed percentage of the taxpayer's state income tax liability could be used for the local income tax obligation.

**D. An answer to many of the problems listed:** Examine carefully all the functions of government and categorize them as to whether it is a state or local obligation. If it is a state obligation, then the state would be entirely responsible for its funding and likewise for local obligations. It is felt that the state presently mandates many programs to local government and does not fund them properly and they end up being supported by the local property tax. This would require a complete, and long overdue, look at Minnesota's entire taxing and aid system.

### E. The academic criteria for an ideal taxing system are:

1. Based upon the ability to pay.
2. It must be reliable, predictable, and stable.
3. It must provide accountability for the expenditure of the revenues.
4. It must be easy to administer and oversee compliance.
5. It must be economically neutral - treat all taxpayers the same.

Response: The two points that are the weakest in the Federation's proposal is its stability and possibly the accountability. These points are not insurmountable and are far less complicated than trying to make any sense out of the present property tax system.

November 21, 1998

155 6th Street  
P.O. Box 29  
Pine City, MN 55063-0029  
320-629-6226  
Fax: 320-629-2500  
800-891-0890

**UTILICORP UNITED**  
**ENERGY ONE**

Mrs. Emily Anne Tuttle  
1225 Shoreline Drive  
Wayzata, MN 55391

Calvin W. (Cal) Clark  
Director of Economic Development  
Minnesota

Dear Emily Anne,

I was delighted to see your name among the eight-member advisory team set up to guide the Ventura administration over the next few months. Congratulations and my very best wishes to you!

I feel that with the input and good counsel of thoughtful people like you, there is an unprecedented historic opportunity to advance many principles of good government and public interest that would not be achievable in less extraordinary circumstances. Those of us who care passionately about such things must do our very best to seize the moment and advance a thoughtful reform agenda.

I have spent my entire adult life promoting good government principles and the public interest....as a teacher of American Government, as Research Director for the Citizens Conference on State Legislatures, as staff for ten major Citizens League studies, and as a board member of numerous public interest groups. I hope I can utilize my 37 years of experience promoting better government and the common good in ways that are helpful to take advantage of the grand opportunity now before us in Minnesota State government.

As you can see from the attached letter and supporting documents, I have asked to be considered for the position of Commissioner of Trade and Economic Development. I would, and hopefully will, make a major contribution to the State and its residents in that capacity. However, if there are additional ways I can be helpful in seizing this magnificent opportunity, please let me know.

Best Wishes....

Sincerely,



Calvin W. Clark

P.S. Any word you can put in for me regarding the D-TED Commissioner position will be sincerely appreciated.

155 6th Street  
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UTILICORP UNITED  
**ENERGYONE**

November 6, 1998

Jesse Ventura, Governor-Elect  
Ventura Transition Team  
Basement, State Capitol Building  
St. Paul, MN 55155

Calvin W. (Cal) Clark  
Director of Economic Development  
Minnesota

Re: Commissioner of Trade and Economic Development

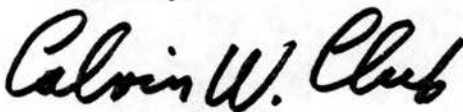
Dear Governor-Elect Ventura:

Congratulations on your incredible, historic victory. As a political independent myself, I have supported fiscally-conservative, socially-moderate independents for many years. How sweet it is to see one of our own elected!

I have an interest in the position of Commissioner of Trade and Economic Development. For the past nineteen years, my time and energy has been devoted to promoting economic development in greater Minnesota, as an owner/president of a small community bank and later as Director of Economic Development for a utility serving 165 Minnesota communities.

My field experience tells me there is a critical need to refocus Minnesota's economic development efforts. I have many ideas and a clear perspective on how this ought to be accomplished. I would greatly appreciate an opportunity to discuss with you and/or your transition staff Minnesota's economic development needs and opportunities, and how the Ventura administration can better use the State's economic development programming to strengthen our communities and enhance the quality of life of Minnesota residents.

Sincerely,



Calvin W. Clark

P.S. I have taken the liberty of enclosing a biography, my resume, my personal mission statement, articles featuring me in the October 18, 1998, *St. Cloud Times* and the April, 1998, *Partnership* quarterly report of the Central Minnesota Initiative Fund, as well as three books I have written on economic development.

## Cal Clark Biography

As Economic Development Director for UtiliCorp United in Minnesota, Cal actively assists 165 Peoples Natural Gas and Northern Minnesota Utilities communities with their community and economic development efforts. Cal's speaking and writing contributions are in heavy demand. His weekly newspaper column, "*On Economic Development*" is carried in community newspapers in nine states. His books, *101 Ideas on Economic Development* and *101 More Ideas on Economic Development*, have been well received throughout the country. A third book, *135 Great New Ideas on Economic Development*, will be published in early 1999.

Cal's background ranges from bank president to public policy analyst. A former teacher and educator, Cal is perhaps best described as a "change-agent" who promotes new approaches for creating quality job opportunities and development. He serves on numerous civic, philanthropic and community development organizations.

## Resume

Calvin Walter Clark  
284 South Exchange Street  
St. Paul, MN 55102  
(651)224-8232

|                |   |
|----------------|---|
| 1989 - Present | Director, Economic Development, UtiliCorp United - MN                               |
| 1980-1988      | Bank President/Chairman, Pine City State Bank                                       |
| 1970-1980      | Membership & Finance Director, Citizens League, Minneapolis, MN                     |
| 1965-1970      | Research Director, Citizens Conference on State Legislatures, Kansas City, Missouri |
| 1963-1965      | American Government Instructor, Chino High School, Chino, CA                        |

### Education:

BS in Political Science, Chadron (Nebraska) State College, 1963  
MS (Honors) in Social Science, Chadron State College, 1965  
Course work toward Ph.D., Dept. of Political Science, University of Kansas 1965-66

### Work Experience:

#### UtiliCorp United, 1989 - Present

While at UtiliCorp, Cal Clark has developed an international reputation with his writings on economic development. His two books on economic development have sold very well throughout the U.S. and Canada, with 15,000 copies in print. A follow up book will be released in early, 1999.

As UtiliCorp's Minnesota Economic Development Director, Cal is actively involved with 165 Minnesota communities and their community and economic development efforts. As such, Cal's speaking and writing contributions are in heavy demand. His weekly newspaper column "*On Economic Development*" is carried in community newspapers in Minnesota, North Dakota, Iowa, Nebraska, Colorado, Kansas, Missouri, Michigan, and West Virginia, and is regularly reprinted in several professional newsletters and journals.

#### Pine City State Bank, 1980-1988:

Special challenges of price deregulation and economic upheaval in the banking industry demanded, and received, rigorous analysis, detailed planning, significant innovations, sound management, creative marketing, strong leadership and good communications at the bank.



During this time, the bank out-performed all relevant national, state, and regional peer groupings, and drastically out-performed each of the other 13 Minnesota banks that were started closest to the same time as Pine City State Bank (10/1/79). In February of 1995, Cal sold his 35% interest in the bank.

Citizens League, 1970-1980:

Cal served as principal staff on ten major studies, each of which has had a significant impact on the problem studied. As Membership and Finance Director, contributions tripled and the League was never pressed for adequate funds to cover all programs planned. Cal helped the Citizens League develop and maintain a national reputation as one of the premier public affairs "think tank" organizations in the country.

Citizens Conference on State Legislatures, 1965-1970:

Five years' experience in program planning, research, writing and working with legislative leaders in the fifty states at the Citizens Conference on State Legislatures helped give Cal the technical and analytical foundation for subsequent work at the Citizens League, Pine City State Bank and UtiliCorp United.

Chino High School, 1963-1965:

Cal's two years experience teaching American Government classes at Chino High School, Chino, California, was also a particularly productive period of professional growth and development. During this time, Cal completed work on his Master's degree and started course work on a Ph.D.

**Communications:**

Throughout his career, Cal has done a great deal of writing and public speaking and has frequently testified before legislatures for such groups as the Minnesota Bankers Association, The Citizens League, The Citizens Conference on State Legislatures and education groups.

**Recent Awards and Recognitions:**

October, 1998, the *St. Cloud Times* featured Cal in an in-depth Sunday feature story on legacies as an example of one person leaving a legacy through community service and charitable giving in Central Minnesota.

April, 1998, The Central Minnesota Initiative Funds *Partnership* quarterly report to the region featured Cal's community service and support for the fund.

Summer, 1997, Cal was featured in the Chadron State College Alumni Newsletter as an example of how individuals can support the college and other worthy charitable activities in creative and cost-effective ways.

December, 1996, Cal received Chadron State College's highest distinctions...it's Distinguished Service Award.



## **Personal Information:**

Education: Cal's formal education consists of B.S. and M.S. degrees earned from Chadron (Nebraska) State College, located in the community where he was born and raised. Additional course work has been completed at the University of Kansas toward a Ph.D. in Political Science. As an undergraduate, Cal majored in Political Science, winning that department's outstanding student award upon graduation. His Master's Degree was awarded with honors.

A more important portion of Cal's education has occurred in conjunction with his professional career. During his five years at the Citizens Conference on State Legislatures, he became as knowledgeable as anyone in the country about the operations, procedures and leadership of the fifty state legislatures in the 1970's.

As principal staffer on ten major studies for the Citizens League, Cal became highly knowledgeable and a sought-after speaker on such areas as: hospitals and health care delivery, crime control, employer-employee bargaining, land use and housing, public education accountability, waste management, parking, burglary and chemical dependency.

As president of Pine City State Bank, Cal developed the highest level of knowledge and understanding he could on such areas as: the key traits of Minnesota's most successful banks, asset/liability management, investments, product pricing, customer needs and preferences, marketing and community development.

As Director of Economic Development for UtiliCorp United, Cal has gained national recognition as an author, speaker and consultant on rural community economic development issues.

## **Community Affairs:**

Cal currently serves in the following capacities:

Board member, Citizens League and Chairman, Citizens League \$10 million Endowment Campaign.

Member of Finance Committee, Central Minnesota Initiative Fund

Board member, Economic Development Association of Minnesota

Greater Minnesota Liaison, "Leave a Legacy Minnesota".

Central Minnesota "Leave a Legacy" finance committee chairman.

Board member, Pine County H.R.A.

Board member, Northern Pine County Development Corporation.

Board member, Pine City Development Corporation

Member, Advantage Minnesota, Economic Development Advisory Committee

Member, Dean's Advisory Council, College of Arts and Science, Iowa State University.

Trustee, Chadron State College Foundation

Member, Arrowhead Growth Alliance, Concord Coalition, Economic Partnership for Southeastern Minnesota, the Economic Development Pros of Southwestern Minnesota

Also membership in numerous national community development and economic development professional associations.

### **Publications and Written Communications**

*135 Great New Ideas on Economic Development*, early 1999 release

*101 More Ideas on Economic Development*, January, 1997

*101 Ideas on Economic Development*, February, 1994

*Identifying Development Opportunities for Diverse Minnesota Communities in Helping Businesses Solve Their Labor Force Problems*, 1990.

*On Economic Development* newspaper column:

Cal has written over 400 weekly newspaper columns that are carried in several professional publications and community newspapers in Minnesota, North Dakota, Iowa, Nebraska, Kansas, Colorado, Missouri, Michigan, Arizona, and West Virginia.

*Cal's Comments* newspaper column:

While President of Pine City State Bank, Cal wrote approximately 400 columns for the local newspaper. These have featured such items as new and existing industries, economic development, bank programs, investment and tax tips, business opportunities, community strengths and economic analysis.

The major studies Cal staffed while at the Citizens League included:

*Next Steps in the Evolution of Chemical Dependency Care in Minnesota* (3/13/80)

*Needed: A Policy for Parking* (1/18/78)

*Suppressing Burglary* (9/16/76)

*Taking the Waste out of Minnesota's Refuse (8/27/75)*  
*Matching Pupils, Teachers, Buildings and Budgets (8/28/74)*  
*Accountability in Schools...Not a Threat, But a Real Hope (11/22/72)*  
*Better Use of Land and Housing (4/30/71)*  
*Resolving Teacher/Schoolboard Disputes (3/24/71)*  
*Getting Answers for the Control of Crime (12/27/70)*  
*Hospital Centers...and a Health Care System (7/15/70)*

Major studies Cal authored at the Citizens Conference on State Legislatures include:

*Compensation for Legislatures in the Fifty States, 1968. October, 1968*  
*Selected Bibliography on State Legislatures. June, 1968*  
*A Survey of Legislative Services in the Fifty States. April, 1967*  
*Compilation of Recommendations Pertaining to Legislative Improvements in the Fifty States. April, 1967.*

# MISSION STATEMENT

*The central theme of my life is to utilize my talents, abilities, understandings and other resources to their full potential to help make the world a better place to live.* I see myself as a change agent who helps others to achieve their own goals and aspirations. I want to use my skills and capacity to help empower others to become the very best they can be. I try to help identify needs and opportunities for community betterment, and then work with others to meet the needs and seize the opportunities in the most effective means available. I desire win/win dealings with all persons I come in contact with. I strive for positive direct results, and to increase my capacity for creating ever greater positive results over time. I want to let my work speak for itself. I will work hard at this process, focusing on end results, and not on my receiving recognition in the process.

*Calvin W. Clark*



## **List of Support Letters for Cal Clark from Metro, MN**

**John S. Adams**, Prof. of Geography, Planning and Public Affairs, U of MN  
**Dave Anderson**, Economic Development Coord., **St. Louis Park**, MN  
**Mary Anderson**, Mayor, **Golden Valley**, MN  
**Andy Boss**, Chm., **Park Bank**, Chm., **St. Paul Port Authority\***  
**Kirstin E. Barsness**, Pres. **EDAM**, Economic Dev. Dir., **Cottage Grove**, MN  
**William Blazer**, Senior Vice President, **MN Chamber of Commerce\***  
**LaDonna Boyd**, Economic Development Director., **Dakota Electric Assn.\***  
**Bill Coleman**, Integrated Communities Networks Manager, **MEANS Telecom**

**Robert de la Vega**, Director of Research, **Norwest Corporation**  
**Dan Erhart**, Chair, **Anoka County Board of Commissioners**  
**Tony Goddard**, President, **Minneapolis Chamber of Commerce**  
**Douglas R. Ewald**, Executive Dir., **EDAM**, Pres., **Ewald Consulting Group**  
**Jon Hohenstein**, City Administrator, **Mahtomedi**, MN  
**Curt Johnson**, Chairman, **Metropolitan Council\***  
**Michele S. Keller**, Mgr., Industrial Dev., **Burlington Northern Santa Fe**  
**Jean King**, Former Chief of Staff, **Quie Administration**, **North Oaks**, MN\*

**George Latimer**, President, **Citizens League**, Former Mayor, **St. Paul\***  
**Alan A. Madson**, City Administrator, **Maple Grove**, MN\*  
**Kevin Mass**, Past President, **Economic Development Association of MN\***  
**Gary R. Morgan**, Chairman, **Eagan Economic Development Committee**  
**Ann L. Norris**, Assistant City Manager, **Crystal**, MN  
**Michael O'Keefe**, Exec Vice President, **The McKnight Foundation\***  
**David L. Olson**, Community Development Director, **Farmington**, MN  
**Dan Rogness**, Community Development Director, **Rosemount**, MN\*

**Michael Sobota**, Director of Community and Economic Dev., **Lakeville**, MN\*  
**Al Swintek**, Program Dir., Local Govt. Relations and Econ. Dev., **Minnegasco**  
**Roy Terwilliger**, Member, **Minnesota State Senate\***  
**Robert Vanasek**, Former Speaker of the MN House, **New Prague\***  
**Greg Waldron**, City Administrator, **Oakdale**, MN\*  
**Lyle Wray**, Executive Director, **Citizens League\***  
**John Young**, President, **Lakeville and Eagan Small Business Associations\***

\*Letter in Transit

## **List of Support Letters for Cal Clark from Central MN**

**Carol Anderson**, Executive Director, **Community Dev. Morrison County\***  
**James M. Ausmas**, City Administrator, **Hinckley, MN**  
**Barrett L. Colombo**, Partner, **Rinke-Noonan Law Firm, St. Cloud, MN**  
**Henry Fisher**, Community Affairs Manager, **East Central Electric Coop.**  
**Layton Fontaine**, Executive Director, **Region 5 REC\***

**Kathy Gaalswyk**, Executive Director, **Central Minnesota Initiative Fund**  
**Gordon Heitke**, City Administrator, **Cambridge, MN**  
**Daniel Hoffman**, City Administrator, **Rush City, MN**  
**Catherine E. Jackson**, President, **Citizens State Bank Waverly, MN**  
**Loren G. Jennings**, Member, **Minnesota House of Representatives**

**Janet Johnson**, Member, **Minnesota State Senate\***  
**John L. Kuester**, Principal, **J L Kuester Community Development Services**  
**Muriel Langseth**, Community Development Director, **Sandstone, MN**  
**Thomas R. Lambrecht**, Executive Director, **Northern Pine County EDC**  
**Barbara Luebke**, MCMC, City Clerk-Treasurer, **Sebeka, MN**

**Thomas J. Lutz**, Executive Director, **Cass County EDC**  
**Scott Martin**, Business Development Manager, **United Power Association**  
**R. David Miller**, Executive Director, **Cuyuna Range Economic Dev. Inc.**  
**Jerel Nelson**, Economic Development Director, **Staples EDA\***  
**Leonard Paulson**, Ret. Judge of District Court, **7th Jud. Dist., Milaca, MN**

**Twyla Ring**, Editor, **ECM Post Review, North Branch, MN**  
**Jane Robbins**, Mayor, **Pine City, MN**  
**Richard J. Roesler**, Past President, **MBA, Pres., Peoples Bank, Mora, MN**  
**Judie Rose**, Commissioner, **Wright County**  
**Jeff Schlingmann**, President, **St. Cloud Area Economic Dev. Partnership\***

**Dorothy Simpson**, Chair, **Central MN Initiative Fund**  
**Patricia B. Spence**, Vice Chair, **University of Minnesota Board of Regents**  
**Robert Swanberg**, Economic Development Director, **Stearns County\***  
**James M. Thares**, Director, **Benton County Department of Development**  
**Mark Valsing**, Executive Director, **Chisago County HRA**

\*Letter in Transit



## **List of Support Letters for Cal Clark From SE MN**

**Abraham Algadi**, Executive Director, **Pine Island EDA**  
**Judith Bodway**, Director of Economic Development, **Winona, MN\***  
**George Brophy**, President, CEO, **Development Corporation of Austin**  
**Tim Clawson**, Development Specialist, **Yaggy Colby Assoc., Rochester\***  
**Terry Erickson**, Executive Director, **Southeastern MN Development Corp.**  
**Trixie Goldberg**, Executive Director, **Southeastern MN Initiative Fund\***  
**Kandis Hanson**, City Administrator, **Kasson, MN\***  
**Michael Humpal**, Community Development Director, **Fairmont, MN**  
**Larry Jarviss**, City Administrator, **Houston, MN\***  
**Duane M. Johnson**, Planning Director, **Dodge County**

**Ronald Johnson**, City Administrator, **Zumbrota, MN\***  
**Lawrence W. Johnston**, Director of Member Services, **SMMPA**  
**Wesley W. Judkins**, Director of Planning, Dev. and Finance, **Reg. 9 RDC\***  
**Dallas Larson**, City Administrator, **Cannon Falls, MN**  
**Amy M. Meehan**, Community Development Director, **Wells, MN**

**Larry Nelson**, Manager, Economic Development, **Alliant Utilities\***  
**Richard Nelson**, President, Root River Trails Joint Powers, **Preston, MN**  
**Leonard Ouradnik**, President, **Citizens State Bank, Montgomery\***  
**Jean K. Peterson**, Executive Director, **Blooming Prairie Development Corp.**  
**Ted Robertson**, Bank President and President, **Rushford EDA**

**Gary Smith**, President, **Rochester Area Economic Development, Inc.**  
**Toni Smith**, County Extension Agent, **Wabasha County**  
**Roger Steinberg**, Community Dev. Extension Specialist, **Southeastern MN**  
**Brian Tohal**, Coordinator, **New Ulm Economic Development Corp.\***  
**Bill Waller**, City Administrator, **LaCrescent, MN**

**Joel A. Young**, City Clerk, **Chatfield, MN**  
**Ron Zeigler**, Executive Director, **Lake City EDA**

\*Letter in Transit

## **Support Letters for Cal Clark from SW MN**

**Steve M. Dusek**, Director, **Prairieland Economic Development Corp.**

**Dan Elwood**, City Administrator, **Madison, MN**

**Mark O. Erickson**, City Administrator, **Lakefield, MN\***

**Charlie Hopkins**, Community Developer, **City of Fulda, Fulda, MN**

**Greg J. Isaackson**, City Clerk Administrator, **Cottonwood, MN**

**Randy L. Jorgenson**, AICP, Executive Director, **Southwest RDC**

**James King**, Executive Director, **Windom, MN EDA**

**Jeanette Kimp**, Director, **Ortonville EDA\***

**James Kuel**, Publisher, **Jackson County Pilot\***

**John W. Meyer**, Ph.D., Planning and Development Director, **Canby, MN\***

**Paul Michaelson**, Executive Director, **Minnesota Valley RDC**

**Shirley E. Ristau**, Executive Director, **Southwest MN Foundation**

**Conrad Schmidt**, Chairman, **Worthington Area Industries, Inc.\***

**Robert Thompson**, City Coordinator, **Appleton, MN\***

**Marlys Vanderwerf**, Economic Development Director, **Walnut Grove, MN**

\*Letter in Transit

## **List of Support Letters for Cal Clark from Northern MN**

**Curt Anttila**, Economic Dev. Coord., **East Range Joint Powers\***

**Darlene Baker**, President, **Ada Area Chamber of Commerce**

**Larry G. Buboltz**, Mayor, **Detroit Lakes, MN**

**Gary Brumberg**, City Administrator, **Silver Bay, MN**

**Thomas Cotruvo**, Manager, Business Development, **City of Duluth, MN\***

**Ruth Edevold**, Executive Director, **Northland Foundation\***

**John Foschi**, City Administrator, **Proctor, MN\***

**Christina Gilchrist**, Executive Director, **Alexandria Area EDC**

**James Hausauer**, Chr., Econ. Dev. Com., **MN Bankers Assn., Aurora, MN**

**Sheila W. Haverkamp**, Exec. Director, **Brainerd Lakes Industrial Dev.\***

**Morris Lanning**, Mayor, **Moorhead, MN\***

**Della Lynch**, Executive Director, **Cloquet Area Chamber of Commerce\***

**Connie Mangan**, Executive Director, **Eveleth EDA**

**Mary Mathews**, President, **Northeast Entrepreneur Fund, Inc.**

**James L. Oberstar**, Member, **United States House of Representatives**

**John S. Ostrem**, Executive Director, **Headwaters RDC**

**Collin Peterson**, Member, **United States House of Representatives\***

**Todd Peterson**, Roseau City Planner, **Roseau, MN**

**Tom Renier**, President, **Northland Foundation\***

**Albert W. Roder**, Director, **Becker County Economic Development\***

**Greg Sandbulte**, President, **Northeast Venture Corporation\***

**Kathy Unertl**, City Administrator, **Warroad, MN**

**Tom West**, Economic Development Officer, **International Falls, MN\***

**Dennis Winskowski**, Chr., **Detroit Lakes EDA, Pub., Detroit Lakes Trib\***

**Larry L. Young**, Executive Director, **Joint Economic Dev. Commission**

\*Letter in Transit

FURBER TIMMER ZAHN, PLLP  
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BECKY M. EMMONS  
LEGAL ASSISTANT

\* ALSO ADMITTED IN COLORADO

*Writer's Direct Line: (612) 573-3662*

*Internet Address: tfurber@e-lawfirm.com*

November 24, 1998

Emily Ann Tuttle  
1225 Shoreline Drive  
Orono, MN 55323

Dear Emily Ann:

Congratulations on your appointment to Jesse Ventura's transition team. You were wondering how our new group could get an audience with him – and now you have it. I know that Senator Oliver is working towards a meeting also, but I don't know how far he has gotten yet.

Please let me know if there is anything else we can do to help you get our message across.

Very truly yours,

FURBER TIMMER ZAHN, PLLP

  
Theodore K. Furber

TKF/king





Owens Companies, Inc.

930 East 80th Street  
Bloomington, MN 55420-1499  
612/854-3800 FAX: 612/854-3769

November 25, 1998



John J. Owens  
President & CEO

Ms. Emily Anne Tuttle  
1225 Shoreline Drive  
Wayzata, MN 55391

Dear Emily Anne:

Congratulations on your appointment to Governor-elect Ventura's transition team. It always brings a smile to my face and memories of great times when I see your name. And now that I am married and my wife has helped bring me to my senses, I think we even have a lot in common in the political arena.

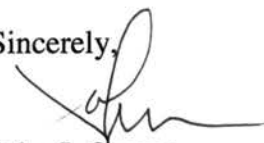
In addition to being in the family business, I have also have found myself in my own political arena. After dropping out of Colorado College after three years (you know I never did like school too much), with age and the sense of responsibility that comes with it, I realized I still needed to get my college degree. Thanks to Metropolitan State University and the flexibility it offers, I did just that in 1994. Because I was so grateful for and impressed with Metro State, I ran for and was elected to its Alumni Board. Serving as chairman of the Legislative Committee, I have been a quasi-lobbyist in my spare time on behalf of Metro State. This has been interesting, to say the least. I never thought it would be such a challenge.

As I'm sure you know, MnSCU and Metro State have gone through quite a bit of trial and tribulation the past couple of years. Metro State seems to be a misunderstood institution, yet one that is so vital to higher education for the inner city, less advantaged people, and adult learners. It has had to fight for basic funding and adequate facilities (particularly in the west metro area).

In a meeting last week, I learned that one of the people I have been working closely with is a good friend of yours. Anne Heegaard, is the chairperson of the Metropolitan State University Foundation. In the short time I have known her, I have found she is a great advocate for Metro State and a wonderful person. I am not surprised you two are friends.

If ever appropriate, I would like to speak with you about Metro State. Please give my best to Missy when you talk to her; I have not seen her, it seems, in twenty years. Maybe now, I will contact her as well.

Sincerely,

  
John J. Owens

JJO/ema

cc: Anne Heegaard

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An Equal Opportunity Employer



---

Office of the Headmaster

Breck School  
123 Ottawa Avenue North  
Minneapolis, MN 55422  
(612) 381-8100

November 24, 1998

Ms. Emily Ann Tuttle  
1225 Shoreline Drive  
Wayzata, MN 55391

Dear Emily Anne:

I am very happy you are on the Transition Team for our governor elect. Your experience, good judgment, and positive energy will stand all of us citizens of Minnesota in good stead.

If there is anything I can do to be helpful to you or others in the Administration, please let me know.

Yours sincerely,

Samuel A. Salas  
Headmaster



# WATCH

---

November 23, 1998

Ms. Emily Ann Tuttle  
1225 Shoreline Drive  
Wayzata, Minnesota 55391

Dear Emily Ann,

First of all, of course, congratulations on your selection as one of the chosen few to help guide Jesse into a governor-ship of wisdom and compassion. Remains to be seen how big of a task that will be, I should think.

I also wanted you to know that we missed you at the WATCH event on November 12 (I know you had a conflict) but I hope you get a chance to talk to some of the people who were there. It went very, very well, at least from my perspective, in terms of turn-out, speakers (some real dynamos from within the system) and finances. David and Vicki Cox made an extraordinary gift of \$5000 and pledged a matching grant of \$10,000 toward any renewed contributions which upgrade to \$250 or more. This is a very significant step up for us and we are understandably thrilled.

But I am writing to you on a different matter. As you know, we are in a position to have seen many different judges, prosecutors and defense attorneys in court on a daily basis. We think we have developed a good perspective on what makes an effective judge, not only from our volunteers' insights, but from all the other professionals whom we work with in the system.

We have gained a reputation for being credible and respectful. In fact, the questions developed by WATCH for use in judicial candidates forums prior to elections are now used by the State Bar Association, as they get at the issues involved in a way that does not violate any judicial canons.

Governor-elect Ventura will have some immediate judicial vacancies to fill, including one in Hennepin County, as Judge John Stanoch is leaving to join Mike Hatch's staff. This is a loss for Hennepin County.

Suite 1001 Northstar East 608 Second Avenue South  
Minneapolis, Minnesota 55402  
612-341-2747

We would like an opportunity to identify questions and issues that might be used in interviews or in the selection process. (There is a selection committee that narrows the search to three qualified candidates and the governor chooses one of those. Governor Carlson abided by this process and made very good appointments, for the most part.)

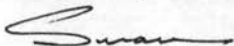
We are not suggesting that we serve on the selection committee, for obvious reasons, but we are asking to be used in some way as a resource. We have been called by a probation officer, "the conscience of the system," and we think that we would contribute an invaluable perspective to the process.

If this sounds reasonable to you, perhaps you could put in a word for us, or at least point us to the person who will be covering this area. Sandra Gardebring thanked us at our fund-raiser for the improvements we've brought to the judiciary *statewide*, so we think our input would be useful even beyond Hennepin County.

I hope you will call me or Jacquelyn Hauser at 341-2747 to discuss what next steps we might take with this proposal.

Thanks so much for all you do, and for taking on yet another job for the betterment of our state.

Fond Regards,



Susan Lenfestey

P.S. One other thing: I think it would be terrific if the Governor-elect would do a few public service announcements, Bill Hillsman style, speaking out against domestic violence, particularly teen dating violence, which by all accounts is hugely on the rise. They could be short, funny and pack a wallop, as he seems to relate so well to these emerging males. I'm deadly serious about this. Perhaps we could put a coalition together, Harriet Tubman and others, to sponsor the PSA's. Is this an idea worth pursuing?

Grace M. Morris

November 18, 1998

Dear Emily,

Congratulations on your appointment to Jessie's transition team! You are a wonderful addition! I am sure you have a lot of good advice for him!

Many in child care are concerned about his comments during the campaign that government had no business in child care. Families should take care of their own children. You know that isn't possible if we want women to work and support their children! If I can help by giving you names of people

concerned with the  
issues of young children,  
please ask! I'm out of  
the loop but I know  
lots of the players.

Thank you for your  
contribution to our league!  
You'll get a formal Thank  
you when I get our  
official LUK stationery!  
But I had to mention  
it now too.

So my thanks  
for your contributions  
in many areas! let me  
know if I can help.

Very sincerely,

Groce N.

P.S. With the new research on  
brain development we know  
that quality early childhood  
education and parenting  
education help children  
develop all their abilities  
and prevent later problems.

Newell P. Weed

Emily Anne —

Congratulations again on your  
new assignment/opportunity —

Herewith a few items we have  
tried to send on to Jesse - and some  
other items re: some of our Tax Plans -

Would like to help in any way  
to move things forward - Thanks for your help -

55 HOLLY LANE, PLYMOUTH, MN 55447-3585 — PH. (612) 475-1882

Newell

NEWELL P. WEED JR.

55 HOLLY LANE  
PLYMOUTH, MN 55447

November 6, 1998

Dear Dean:

Congratulations! You did it. The "seeds of interest and honesty" you planted here with the Reform Party - took root and - finally flourished with Jesse's election this week.

What a breath of fresh air!!

I remember so well our discussions six years back about the candidacy of Colin Powell who would have been such a forthright, honest, (and successful) Presidential candidate. Unfortunately, (for the country) he decided not to run --- and look what we got instead!

This time, you and others were able to get Jesse to run and this victory with the changes in governing it can bring, will be wonderful for Minnesota (and the country). Your vision, persistence and efforts deserve all our thanks!

As the pressure of these days make him (and all of you) so hard to reach, I would appreciate it if you would deliver this and the enclosed letter to Jesse.

Jesse emphasized his interest in property tax reform during the campaign, and specifically stated in two meetings before the Minnesota Senior Federation (a May 14 forum and their State Convention at Hinckley), that he supported the proposal of our tax committee and would meet with us "soon after" the election to discuss the proposals in further detail.

I personally have been working (as a citizen and homeowner), for the past eight years at least to get some amendments to our property tax formula that would correct some of its worst regressive features; then in the last several years I have joined the Senior Federation Tax Committee enlisting them and their widespread membership in trying for the same amendments. Marlowe-Hamerston, the current Chairman has been most active and effective in this effort, and it is his letter to Jesse that I enclose. Marlowe and/or I and other committee members have met with most all of the present tax committee members in the House and Senate and many other



Legislators to discuss the needed changes - always receiving lip service approval and recognition of the current inequities ---BUT no action. Always they have been restricted in legislating what is needed by their partisan commitments, and their rigid positions on past legislation - no matter how bad, expensive or unfair. This blind partisanship and competition between the two political dynasties is what Jesse campaigned on and what brought success to our reform party this year.

What gives us hope that a recommendation on property tax reform by Jesse can be passed, is the recent response and suggestion of Steve Swiggum (current Minority Leader and soon-to-be Speaker of the House). Steve, after reviewing our detailed proposals with me (prior to the election), stated that certainly the next session would be the **best** time (and maybe the only time) that major tax reform legislation could be passed. With a new Governor and, he hoped, new committee chairman (if his party won control) - this would be the time! He suggested that the new Governor, right after election, might well ask a bi-partisan (now tri-partian) committee of citizens (not legislators) to study our proposals and detail a specific plan for a "replacement tax formula", and then with his approved proposal the new legislature might well pass this into law, which might well be the "signature legislation" of the Ventura first year.

I/we seek no job Dean, and no title or publicity - but I/we would like to help set up such a group as quickly as possible and work out the details of a tax proposal of Jesse's design that would do the job.

The years we have studied and researched the current property tax formula and alternatives, and the detailed figures we have accumulated from the Department of Revenue and Legislative Staff Research will, I feel certain, be of great help in expediting this process.

Dean, please call me at 475-1882 with questions, or to set a convenient time to meet with Jesse. I will very much appreciate your conveying this letter and the one from Marlowe to our Governor Elect - and am hopeful for your continued participation, help and success in the new administration.

Sincerely,

Newell

**The Minnesota Senior Federation — Metro Region**  
**Tax / Social Security Committee**

Marlowe Hamnerston, Chairman • 1885 University Ave. W. • Suite 190 • St. Paul, MN 55104 • 651-645-0261  
Home: 771 Larson Lane • Shoreview, MN 55126 • 651-484-4615

Nov 6, 1998

Dear Governor Elect Ventura,

Let me add my personal congratulations to those from all over the world on your election to the governorship of the State of Minnesota.

From the time last spring at the Metro Region convention of the Minnesota Senior Federation when you agreed with the Federation's proposal to eliminate the present system for funding schools and local governments, the property tax, you were my man! The Federation could not come forth and give an endorsement of your candidacy because of regulations placed upon non-profit organizations. We did, however, get around this somewhat by inviting you to debate at our state convention. I knew you could win over any audience you spoke before.

At the convention at the Hinckley casino, you said you would "absolutely" meet with the Federation's tax committee and listen to our proposal to shake up the property tax system "soon after" your election.

We have we have solicited input on our proposal from such organizations as the Minnesota Chamber of Commerce, the Minnesota Taxpayers Association, the Minnesota Multi Housing Association, the Minnesota Seasonal Recreational Property Owners, the Citizens League, Citizens for Tax Justice, the Association of Metropolitan County Officials as well as individual members of the House of Representatives and members of the Senate. Through Commissioner Guerin's efforts, the Ramsey County Commissioners passed a resolution calling for the abolition of the property tax.

We have narrowed our prospective to the replacement of the homestead property tax with a local income tax as one alternative. A second possibility is to establish a maximum percentage of one's income that can be assessed in property taxes. We hope you can find time in your busy schedule to meet with us before your administration commits to a taxation proposal. The Senior Federation has been working for many years on taxation policy, especially property taxation as it applies to all Minnesotans, not just seniors.

We look forward to working with you to establish a way to fund local governments that is fair to all segments of Minnesota's population.

Sincerely,



PS. I can be reached most easily at my home address and phone as shown on the letter head.

**The Minnesota Senior Federation — Metro Region**  
**Tax / Social Security Committee**

Marlowe Hamerston, Chairman • 1885 University Ave. W. • Suite 190 • St. Paul, MN 55104 • 651-645-0261  
Home: 771 Larson Lane • Shoreview, MN 55126 • 651-484-4615

Nov. 6, 1998

Dear Pam,

Well you did it!!

What a blast!!

I am sending you a letter which I ask you to pass on to Jesse. The Federation Tax committee would like to meet with Jesse and explain two alternative proposals concerning property taxes. At the Hinckley debate he said he would meet with us "soon" after his election to discuss what needs to be changed in our property tax system. We hope that before any tax proposal is presented to the public, we could make our case for our proposal. With a new majority in the House and Jesse as governor, it may be time for another revolution — a revolution in the manner local governments are funded.

I do not know what your position will be in the new administration but I hope you remain a part of the continued guidance of Jesse as chief administrator of our state.

Feel free to contact me anytime at my home address and phone number as shown above.

Yours,

Gubernatorial answers to the question: **As governor, will you work with us to abolish the present property tax system and replace it with a fair, equitable and progressive system?**

**JoAnne Benson** - Avoided answering the question. Went off on a tangent talking about taxes in general.

**Richard Borrell** - Has reservations. Concerned about local control of education.

**Mayor Coleman** - Did not attend. Busy mayoring.

**Mark Dayton** - Did not attend - Ill.

**Mike Freeman** - Would not help abolish the property tax. Glib political replies.

**Skp Humphrey** - Not present - In Washington DC.

**Doug Johnson** - Abolition is not realistic - Would raise income taxes to 11% at the bottom and 16% at the top or raise the sales tax to 15.3%.

**John Marty** - Thinks it would remove the tax on businesses and not cover out of state cabin owners.

**Allen Qulst** - Thought the idea is intriguing but not ready to say yes.

**Jesse Ventura** - Agreed with out reservation to support the abolition of the property tax.



# Jesse Ventura on the issues

## Abortion

- Supports abortion rights.

## Agriculture

- Favors temporary moratorium on large feedlots while more research is conducted.

## Child care

- Questions need for state child-care subsidies, saying parents should turn to friends and neighbors. Supports public/private ventures to put more child-care centers near jobs.

## Crime

- Supports loosening handgun permit rules for noncriminals who complete gun-safety training and skills testing.
- Urges community-based crime prevention, starting "in the home, where values are taught."
- Supports Gang Strike Force; proposes decriminalizing drugs to sap the power of gangs.
- Would crack down on violent and property crimes.
- Opposes federal death penalty, but says Minnesota should have one as long as life sentences allow parole.
- Says Minnesota should consider new approaches to dealing with prostitution, including possibility of legalizing it in red-light districts.

## Education

- Supports the eighth-grade basic-skills testing program and would deny diplomas to students who can't pass them.
- Would keep Profile of Learning, but says it was adopted too quickly. Wants to create a task force of teachers, parents and others to see how it's working.
- Says eligibility for education tax credits should be expanded to include all families.
- Open to the possibility of state takeover of failing schools.
- Opposes merit pay for teachers; says it political.

## Gay rights

- Told OutFront Minnesota, a state gay and lesbian group, that he would leave the decision about whether to offer domestic partnership benefits to each level of government, but that he would support such proposals.
- Would oppose any attempts to repeal the 1993 state amendment extending gay rights.

## Health care

- MinnesotaCare is "socialized medicine," he has said. Yet Ventura Web site calls for expanding MinnesotaCare to reach all eligible.
- Charities should help uninsured children.
- Help employers provide health insurance by keeping their taxes down.

## Spending initiatives

- Lower class size to 15 to 17 students in grades K-3. No estimate of total costs; promises to use power of office to persuade local officials to use current funds for class size.
- Strongly in favor of light-rail transit system for Twin Cities, if surpluses allow.

## Stadium

- Would authorize using some profits if video slot machines were installed at Canterbury Park racetrack in Shakopee.
- Opposes using general tax dollars, but says ticket taxes and other user fees would be acceptable, as long as such fees aren't used to back state-issued bonds for construction.

## Taxes

- No estimate on total tax cut; promises to return all projected budget surpluses.
- Unspecified income tax cuts if budget surpluses are projected.
- Wants to "eliminate assessors" for property taxes, or change evaluation process; favors valuation freezes at sale price for homeowners; would allow married couples to claim homestead exemption for two homes.
- Reduced vehicle registration taxes.

radio or TV. News organizations could still obtain transcripts of 911 calls, but would have to pay for the cost of transcribing the call. The audio recordings may still be used for law enforcement or fire department investigations and 911 dispatcher training purposes (See March 18, 1994, Session Weekly, page 11);

- allow a person to use either a home or business address on an occupational license application;
- allow probation and parole authorities and child support enforcement officers access to a person's address from a motor vehicle registration form. Citizens currently have the option of keeping their address on a vehicle registration private, with the sole exception that it can be provided to law enforcement authorities;
- make private all personal information about participants in community recreational and social programs; and
- require video stores to obtain a customer's written permission before disclosing any personal information about the customer. Video rental outlets could not disclose what video titles a person rented. Such information only would be available to law enforcement authorities presenting a court-issued warrant, or to grand juries or courts upon presentation of a subpoena.

HF2028, which is sponsored by Rep. Mary Jo McGuire (DFL-Falcon Heights), now goes to the House floor.

## Ban on flag burning

The House March 21 passed an anti-flag burning bill 100 to 25.

The bill, (HF1880) sponsored by Rep. Brian Bergson (DFL-Osseo), now goes to the Senate.

It calls on the U.S. Congress to pass a constitutional amendment allowing states to prohibit the "physical desecration of the flag of the United States."

To survive, the constitutional amendment proposal must pass by a two-thirds majority in both the U.S. House and the U.S. Senate. Furthermore, 38 states would need to ratify the amendment within seven years after Congress takes action.

According to Minnesota's commander of the American Legion, 37 states have already passed similar resolutions stating their support for the idea.



## TAXES

### Senior property tax deferral

Senior citizens who earn less than \$40,000 annually and have lived in their homes for at least 15 years could defer all property taxes that exceed 4 percent of their income, under a bill heard March 22 by the House Taxes Committee.

Sponsored by Rep. Jean Wagenius (DFL-Mpls), the bill (HF2789) is designed to help senior citizens on limited incomes stay in their homes. Too many are forced out by rising property taxes, she said.

The \$40,000 income limit would apply to both individuals and married couples. The Department of Revenue estimates the bill would cost the state \$19 million a year.

Wagenius told the committee that about 20 other states offer a special property tax deferral program for the elderly.

Eligible senior citizens (those 65 and older) could defer their property taxes as long as they'd like until they sell their home, until their home is no longer considered a home-  
stead, or until they die, in which case, an heir would pay the taxes.



Newell Weed, a member of the Minnesota Senior Federation and the American Association of Retired Persons, testified before the Taxes Committee March 22 in favor of a senior property tax deferral: maximum Tax % on income -

The current bill would charge no interest on deferred property taxes, although Wagenius added that the addition of a minimal interest rate to her bill is possible.

If approved, the bill would begin to defer property taxes payable in 1996.

At least one lawmaker questioned the fairness of offering tax deferrals for the elderly when there also are many young, low-income families struggling to make ends meet.

Wagenius said she understood the dilemma and that's why her bill defers — but doesn't forgive — property taxes owed by senior citizens.

Newell Weed, a member of the Minnesota Senior Federation, supports the bill but said he also would like an expansion of the state's circuit breaker property tax relief program for seniors. The program offers property tax breaks that are based on a property owner's income.

He cited examples of senior citizens who pay too much of their income to property taxes. He knows an 86-year-old who pays \$1,600 a year in property taxes, which amounts to 24 percent of the person's income. — not breaks — just a maximum

"Give them a chance to stay in their homes," Weed said. "Max The Tax" as to a % of income  
Further discussion of HF2789 is expected.

## Fingerhut bill signed

Gov. Arne Carlson March 22 signed into law a bill intended to help Fingerhut Companies create another 400 jobs in St. Cloud.

On an 86-to-46 vote, the House March 7 approved a measure giving Fingerhut special tax breaks to build a \$19.2 million expansion in St. Cloud. Specifically, it asks that Fingerhut and St. Cloud be exempt from some Minnesota laws regarding government tax breaks.

The Senate passed the bill (HF2213) March 17 by a 52-to-12 vote. The new law becomes effective upon local approval.

The company had told St. Cloud city officials it would take its new jobs, paying \$8 to \$12 an hour, to Kansas City, Mo., if the city and state did not meet its requests.

City officials already had agreed to give Fingerhut \$4.8 million in tax breaks if both the House and Senate approved. The tax breaks, spread out over up to 25 years, could eventually cost the city \$13 million in property taxes.

Under Minnesota law, cities can offer tax breaks to companies to help create jobs in their community. Normally the agreement, called a Tax Increment Financing District, involves a company expanding and creating

We have been trying for a 'Reform To Fairness' For years - '99 is The Year  
March 25, 1994 / SESSION WEEKLY 15



# Cap the Property Tax

## The Property Tax and the Minnesota Senior Federation

The State of Minnesota is using an 1850 property tax system as we move into the 21st century. The property tax was created because property in the 1800's was the vehicle used to produce wealth. More land enabled one to raise more crops which would provide a greater income for the property owner. The property tax was essentially a form of income tax. Government in the 1800's did not have the technology to tax personal income. Property was an excellent alternative because it was easily measured. This enabled government to levy a tax on one's property which translated to a tax on the income produced by that property. This may have worked in the agricultural society of the 1800's but it does not work in the present day urban society where a person's property does not produce any income.

There are three main problems created by the use of the "market value" system of property taxation.

- The market value of a property has no relationship to the taxpayer's ability to pay the assessed tax. Studies by former State Auditor Mark Dayton and the State Department of Revenue have concluded that there was no relationship between the market value of a person's home and their ability to pay the assessed tax.
- Using the market value as the determiner of property taxation without placing a restraint upon the rate of increase of a property's market value has produced a taxation system with no limit. An unlimited taxation system places every Minnesotan in jeopardy of being taxed out of their home.
- The present system of tiered property taxation means that if your home has a market value greater than \$75,000, it is taxed at a greater rate than property with a market value below that amount. While a \$150,000 home costs twice as much as a \$75,000 home, it pays 2.85 times the amount of taxes because of the tier effect. It once again is equating the value of a home with wealth and the ability to pay the assessed taxes.

So where do we go from here? The Senior Federation's first priority in the reform of Minnesota's property tax system is to place a cap on the amount of taxes which can be collected from a property taxpayer. The cap the Minnesota Senior Federation has proposed is 4 percent of one's income. People who are presently paying more than 4 percent can ill afford to pay that amount of their income on property taxes. Failure to place a limit on property taxes will continue to force citizens from their homes.

A cap would not be a complete reformation of the present property tax system but would definitely solve the three problems outlined above.

- A cap would eliminate the "ability to pay" factor from the tax equation. The cap would place a fair value of property tax which should be collected from a citizens income. No longer would local government be allowed to have the power of unlimited taxation.
- The rate of increase of market value would no longer be a factor. Once the taxation limit is reached, the increase in market value is a not a factor.
- Likewise the tier system becomes a non-factor once the taxation cap has been reached.

Is the passage of a cap possible? If enough Minnesotans get informed and create pressure for this kind of property tax reform it could easily be passed. The economy is booming so the legislature should have the funds to do it. We would need to get the support of the governor and the leadership of both parties. This should be possible because next year it will be election time. If the present composition of the legislature will not act to cap the property tax system, Minnesotans need to vote to get legislators who will act to protect Minnesotans from being driven from their homes by out of control property taxes.

The Minnesota Senior Federation (MSF) is working hard to make the present property tax system fair for all Minnesotans. The Federation is concerned with young homeowners as well as the elderly, and with renters as well as homeowners. We need to have your help if anything is to be

## The Top Ten Reasons for Property Tax Reform

10. **The Property Tax is the only unlimited form of taxation in existence. There is no limit as to the percentage of a person's income that can be assessed in property taxes.**  
The sales tax is limited to 6.5% of the amount of a sale and the top income tax rate is limited to 8.5% of a person's income. The present property tax system has been documented to be taking from 10% to even 50% of many Minnesotan's income.
9. **There is no relationship between the market value of a taxpayer's property and their ability to pay the taxes levied.**  
Numerous studies have been made by the State Auditor and Department of Revenue and no connection between the market value of a property and the homeowner's ability to pay the associated taxes has been shown. Using the market value of a home to determine the property tax is proven in-valid.
8. **The property tax is universally recognized as a regressive tax which affects our most vulnerable citizens to the greatest degree.**  
It is the elderly and the widowed, who have lived in their homes many years and have seen their market values grow far beyond their incomes, who are being driven from their homes by this tax.
7. **Most taxes tax your assets. The present property tax system also taxes your debt.**  
If you purchased a \$75,000 home today and put down \$5,000, tomorrow, the present property tax system would begin taxing not only your equity, but would also require you to pay property taxes on your \$70,000 debt.
6. **A community with a "rich" property tax base does not mean an individual taxpayer in that community is rich.**  
The practice of "blanket" reassessment is outrageously unfair. It gives no consideration to the individual properties nor to the harm caused to the neighborhood by raising taxes without consideration as to the condition of any individual property.
5. **Allowing property taxes to force seniors from their homes creates a great a loss to churches, schools, and the community as a whole.**  
At a time when the president is calling for more volunteerism, we should not be forcing the greatest reservoir of volunteers that society has, our retired population, to leave their communities.
4. **The property tax taxes on the basis of future earnings. Earnings you may collect upon the sale of the property if such a sale ever takes place.**  
You are being taxed on the basis of a sale that has not taken place to a buyer who does not exist. There is no basis for the use of a taxation system based upon projected earnings.
3. **The present property tax system is anti-family and a slum producing machine.**  
Our property tax system penalizes homeowners who try to maintain and improve their property. The reward for providing a clean, safe environment for their family is higher taxes. A landlord has little incentive to keep rental properties in an acceptable condition when he knows his improvements will result in higher property taxes.
2. **The property tax is a relic of the 1800's and it is long over-due to be reformed, not just tinkered with, but reformed to conform to the realities of the 21st century.**  
While property ownership created and was a measure of wealth in the rural society of the 1800s, the urban residential property of today creates no wealth with which to pay property taxes.
1. **The taxpayers of Minnesota have waited long enough for meaningful reform. Now is the time. There must be a limitation to the amount of one's income which can be levied on a taxpayer's property. The property tax refund system must protect all citizens from being driven from their homes by our present unfair and archaic system. Minnesota has become a place where we do not own property, but rent it from the state with our property taxes. Finally, the constitutionality of the property tax is questionable.**

The passage of Senate File 1835, which places a graduated limitation on the amount of a Minnesotan's income which can be collected in property taxes, must be passed in 1998.

# R.L. Cook

680 W. Hillside Drive • Wayzata, MN 55391 • 612-473-6335

Emily Anne Staples Tuttle  
1225 Shoreline Drive  
Orono, MN 55391

November 18, 1998

Dear Emily Anne:

Congratulations on your appointment to Governor-elect Ventura's advisory team; what an honor for you and what a savvy choice by Mr. Ventura. He is obviously delivering on his promise to obtain advice from a broad and diverse group of experienced public servants and private citizens.

I, too, am energized by this Governor and excited by the potential for this administration to do good things for Minnesotans. And I would like to help in any way I can. As you know, I am currently serving on the Wayzata City Council. What you may not know is that I am also involved in a variety of non-profit endeavors, such as the Minnetonka Center for the Arts, WAMSO and the Wayzata Community Foundation. I have been a consultant in the private sector (marketing and business development) for many years as well. I truly enjoy the challenge of public life and delving creatively into policy issues.

If there is a place for my experience and energy, please do not hesitate to call on me. Here's wishing you all the best in the coming months.

Sincerely,

A handwritten signature in dark ink, appearing to read "Robyn Cook". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Robyn Cook

DAVID HOZZA  
1358 SIMPSON STREET  
ST. PAUL, MINNESOTA 55108  
TEL: 651-641-1520  
FAX: 651-642-9270

November 18, 1998

Emily Ann Staples Tuttle  
Transition Team  
Governor-Elect Ventura  
Capitol  
State of Minnesota  
St. Paul, MN 55155

Dear Emily Ann:

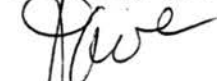
Congratulations on your appointment!

I wanted to let you know that I had submitted a letter to Steven Bosacker, a copy of which is attached, regarding a job with the transition team. If you and the rest of the transition team have a task needs doing that would fit my background, please let me know.

I'm not quite sure what address to send this to, so I'm sending this same letter to your home in case you might not get it at the Capitol.

Thank you for your consideration.

Sincerely yours,



David H. Hozza

Cop



DAVID HOZZA  
1358 SIMPSON STREET  
ST. PAUL, MINNESOTA 55108  
TEL: 651-641-1520  
FAX: 651-642-9270

November 10, 1998

Steven Bosacker  
Transition Chief of Staff  
Governor-Elect Ventura  
Capitol  
State of Minnesota  
St. Paul, MN 55155

Dear Mr. Bosacker:

I am offering my services to you, Governor-Elect Ventura and the rest of the transition team. I have education, skills and experience in the following areas:

State and Local Budgeting  
Public Financing  
Strategic Planning  
State, Regional and City Planning  
Housing and Community Development  
Small Business Development  
Capital Formation  
Government Administration  
Grant Writing and Fundraising  
Intergovernmental Affairs and Lobbying  
Organizational Training and Development  
Project Management  
Issue Management  
Meeting, Seminar and Conference Planning  
Adult Education

For your information, I have attached a current resume and description of my management consulting business. Also, if you want to talk to someone who has known and worked with me for over 25 years, please call the AFL-CIO VP and U of M Regent **Bill Peterson**.

I can start immediately, and I am not looking for a permanent appointment.

Thank you for your consideration.

Sincerely yours,

David H. Hozza

## RESUME

DAVID HERBERT HOZZA  
1358 Simpson Street  
St. Paul, Minnesota 55108-2427  
Tel: 651-641-1520

### Work Experience

1981 - Present      Hozza Management Services - owner of a management consulting firm specializing in strategic planning, sales and marketing, economic and business development, project management, public affairs, lobbying and fundraising

Present -  
Part Time      Grandma Shirley's Bakery - President and CEO of a small retail bakery selling at Farmers Markets May through October

University of Minnesota - Women's Ice Hockey Club Coach

1991 - 1995      Custom Bakery - President, CEO and owner of a wholesale bakery with 75 employees, baking fresh from scratch daily for hotels, restaurants and grocery stores

1989 - 1991      LeDimar, Inc. - President and CEO of a health and beauty aids manufacturer in St. Paul, Minnesota

1984 - 1987      NW Bell - Manager and District Manager, Public Affairs

1974 - 1980      St. Paul City Council - Councilman  
City Council President, 1975-76 & 1978-79

1971 - 1976  
and 1988      University of Minnesota, North Hennepin Community College, and Metropolitan State University - Instructor

1972 - 1973      City of St. Paul - Acting Planning Director and Assistant City Administrator

1970 - 1972      University of Minnesota Office of Physical Planning and Design - Campus Planner

1969 - 1970      St. Paul Housing and Redevelopment Authority - Project Planner

### Education

Graduate School      College of St. Thomas, St. Paul, MN (graduated, 1980) MBA  
Focus on private sector finance and management

University of North Carolina, Chapel Hill (graduated, 1969)  
Department of City and Regional Planning  
Master of Regional Planning

College      Carleton College, Northfield, Minnesota (graduated, 1967)  
Major: Government and International Relations  
Minors: History and Economics

Post Graduate      MIT, Cambridge, Mass., Sloan School of Management  
Urban Executive Program, 1976

Short Courses:      Myers-Briggs Type Indicator - Certified Trainer  
Herrmann Brain Dominance Indicator Trainer's Instruction  
Word Perfect, Quatro Pro, Quick Books and Paradox Software  
Minnesota Health/Life + Property/Casualty Insurance Courses  
Series 6 (Mutual Funds) + Series 7 (Securities) Training  
USA Hockey Associate Coaching Program  
Red Cross First Aid and CPR Certification  
Minnesota State High School League Coaching Certification

## **HOZZA MANAGEMENT SERVICES, INC.**

1358 Simpson Street  
St. Paul, MN. 55108  
Tel:612-414-6970  
FAX:651-642-9270

**Hozza Management Services** is a management consulting firm specializing in managing small and medium sized organizations, strategic planning, sales and marketing, economic and organizational development, project management, public affairs, fundraising and lobbying. Knowing the ins and outs of businesses, non-profits and governments is key to Hozza Management Services ability to advise clients and to manage projects.

**Hozza Management Services** uses its expertise for developing strategies and managing projects to help clients improve the effectiveness of business and government. Analyzing organizational structures and sales and marketing strategies assists clients in becoming more effective and efficient. Then, be it through sales and marketing campaigns, raising funds, public affairs or lobbying, implementing the decisions made.

### **Hozza Management Services expertise includes**

#### **Managing Small Organizations and Projects**

for businesses, organizations or governments for planning and coordinating meetings, seminars or conferences, conducting research, managing special projects and lobbying or just managing day-to-day affairs on a temporary basis.

#### **Planning Organizational and Sales and Marketing Strategies**

for businesses and organizations interested in keeping ahead of current trends in economic development and public affairs  
for businesses and organizations wanting to do more domestically or internationally

#### **Assessing Organizational Structures**

for businesses, non-profits and units of government to become more effective in their day-to-day operation  
and developing corporate quality, responsibility or ethics programs

#### **Fundraising**

for businesses, non-profits and government to raise capital and operating funds to implement their strategies, goals and objectives.

Additionally, **Hozza Management Services** has been applying the Myers-Briggs Types Indicator and the Herrmann Brain Dominance Indicator to consult in the above areas as well as community leadership, managerial leadership, creativity, entrepreneurship, small business start-ups, job creation, entrepreneurship, team building, participation skills, change agent skills and conflict resolution.

The president of the firm, **David Hozza**, is well-known throughout Minnesota for his skill in public policy development, lobbying, business strategies, planning, organizational development and fundraising. He served on the St. Paul City Council for six years, and has been active on boards and commissions throughout the state. He has owned and operated several small businesses. His educational credentials include masters degrees in business administration and in planning and public policy research. In the area of fundraising, he has participated in a number of drives, including Carleton College and St. Paul YMCA.

Since its founding in 1980, the firm's major clients have included the City of Oak Park Heights; Dain Bosworth; Piper, Jaffray and Hopwood; the Metropolitan Airports Commission; Group W Cable; the Children's Hospitals Telethon; Spring Hill Conference Center; the City of St. Paul; the St. Paul Port Authority; the St. Paul Convention Bureau; the Columbia Heights School District; the City of LaFayette; Mercy Medical Center; the City of Prior Lake; Washington County; West 7th Street Federation and the West Side Health Clinic.



18 November 1998

Dear Emily Ann,

Congratulations on  
your selection for  
the Governor's team.

I am thrilled, as a  
neighbor, coworker &  
community member.  
You will be a great  
addition.

Please feel free to  
call me if you think  
my 20+ years in  
corrections could be  
helpful. Best regards,  
Don



Marc Chagall  
1887-1985

La Joie, 1980

*Happiness, 1980*

Lithographie / *Lithography*

116 x 75,5 cm

Musée National Message Biblique Marc Chagall, Nice

Photo P. Gérin

November 17, 1998

Dear Lemily,

Congratulations on your appointment to Governor-Elect Ventura and Lieutenant Governor Mae Schunk's Transition Team. It's a well deserved honor and you will be a major contributor.

I have enclosed a copy of my resume in hopes you will recommend me for a position in the new administration.

What an exciting task you have ahead of you. Have a great time!

Oliv Carlson

Sylvia I. (Sliv) Carlson  
2835 West Road  
Woodland, Minnesota 55391

November 13, 1998

Governor-Elect Jesse Ventura  
Lieutenant Governor-Elect Mae Schunk  
B5 Capitol  
St. Paul, Minnesota 55155

Dear Governor Ventura and Lieutenant Governor Schunk:

Congratulations on being elected Governor and Lieutenant Governor of Minnesota. Many of us are looking forward to the next four years of common sense and no nonsense good government under your leadership.

I would like to become part of your governing team.

Governor Carlson appointed me to the Department of Education in 1991 where I served as the Director of Government Relations until 1996. I was liaison to the Governor's Office and directed the legislative activities for the 1991-1996 legislative sessions. I worked with and know most of the key leaders in the House and Senate, from both parties, and get along well with all of them.

**I can help your team build bridges with the legislative leadership.**

In 1996 I started up a new position working with superintendents, school board members and community groups to teach them about the changes coming in requirements for graduation from high school. I spent two years traveling to approximately 150 school districts for school board meetings and other public information meetings. **As a result, I have excellent working relationships with a very broad spectrum of Minnesota education groups.**

This fall I have assumed new responsibilities in the Department of Children, Families and Learning and am now responsible for evaluating a grant program for gifted and talented students.

My prior education related experience includes:

- \*Department of CFL (1997) developed gifted and talented grant program
- \*Department of CFL (1996-1998) developed and implemented Graduation Standards outreach program
- \*Department of Education lobbyist (1991-1996, which included communications 1991-1993)
- \*Bush Educator Program Fellowship (1995-1997)
- \*TwinWest Chamber Leadership (1990-1991)
- \*Wayzata School Board, elected to two terms (1986-1992)



- \*Chair of the Association of Metropolitan School Districts (1988-1989), which included lobbying in the 1990 Legislative Session
- \*Represented AMSD on Task Force on Education Organization (1988-1991), advisory to Legislative Commission on Education; recommended for appointment by Representative Ken Nelson, DFL, Chair of the House K-12 Education Finance Division
- \*Started up ACE (1988), a coalition of education groups to work for common goals even though all groups had differing programs

In addition, I am a **Registered Nurse** and have years of hands-on experience in the health field, so I bring another perspective on issues.

I grew up on the **Red Lake Indian Reservation** and graduated from Red Lake High School. I know and understand the culture of the Native American community and minority issues.

In summary, I have skills and knowledge that qualify me to represent your administration as a legislative liaison in the Governor's Office or in the Department of Children, Families and Learning. I can help your team build bridges with the legislative leadership because:

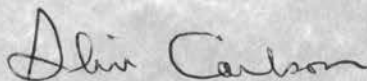
- \*I understand the issues
- \*I have a credible reputation in the education community all over the state
- \*I have broad experience in state government as a Carlson appointee
- \*I have very good people skills

Enclosed are examples of informational documents I developed as part of my responsibilities.

I hope to be considered for a position in the Ventura-Schunk administration and would be honored to have an opportunity to serve. I can be reached at the Department of CFL at 296-5279 during regular work hours or at home at 475-0586.

Thank you.

Sincerely,



Sliv Carlson

To: Director Linda Kohl, Minnesota Planning  
Cindy Jepsen, Deputy Chief of Staff, Governor's Office

From: Gene Mammenga, Commissioner  
Minnesota Department of Education

Date: May 14, 1993

*Prepared by  
Dlin Carlson*

Subject: Chapter 224, Omnibus Education Appropriations

Chapter 224 contains provisions that specify state aid appropriations and levies for FY 94 and 95 in order to provide funding for K-12 education in Minnesota for school years 93/94 and 94/95. The bill includes policy changes having impact on education at the local and state levels. The major funding and policy provisions are listed below.

1. Total school levies for taxes payable in 1994 (adjusted for the HACA change) are increased by \$106 million over pay 1993, a 5.3% increase.

The Governor recommendation was for an increase of \$137 million over pay 1993, a 6.9% increase.

2. Current year pupil units are fully funded with the general education formula allowance remaining at \$3050 for FY94 and increasing to \$3150 in FY 95. For districts with supplemental or referendum revenue the increase is offset with a reduction of supplemental or referendum revenue. Districts who are affected by the supplemental and/or referendum offset will be unhappy about an additional year of flat funding.

The Governor recommendation was to increase the formula allowance to \$3100 in FY 95 with 1/4 of the increase subtracted from supplemental revenue and referendum revenue exceeding the referendum cap.

3. Weighting of K-6 pupil units increases from 1.0 in FY 93 to 1.03 in FY 94 and to 1.06 in FY 95 and after. The additional funds are reserved for elementary class size reduction with a goal of reducing instructor to learner ratios to 1:17.

This provision makes an additional \$112 million available to employ as many as 3,800 new teachers; most of the class size reduction is expected to occur in K-3. The metro area school districts should be beneficiaries of this provision. Methods of implementation of this provision are likely to be variable due to space considerations.

The Governor recommendation was for marginal cost funding of pupil units and no change in pupil weightings from current law. The class size issue was not addressed in the Governor's budget recommendations.

4. Beginning in FY 95 state equalization aid is increased for the first \$315 per pupil unit of operating referendum revenue from 50% of the equalizing factor to 100%. The increase in referendum



equalization is funded by eliminating the portion of school Homestead and Agricultural Credit Aid (HACA) attributable to referendum levies. This creates a significant redistribution of state aid from inner ring suburbs to outer ring suburbs (low valuation districts) and to Minneapolis. Higher valuation school districts are disappointed because their taxpayers will experience an increase in levies without a corresponding increase in revenues.

The Governor recommended extending referendum equalization to \$620 per pupil unit, with the first \$310 equalized at 50% and the next \$310 equalized at 35%.

5. The training and experience multiplier is increased from \$575 to \$660 as recommended by the Governor. This helps older districts with a disproportionate number of senior staff with higher educational levels (often high valuation districts as well). The MA + 30 cap is removed (not a Governor's recommendation).

6. The graduation rule was funded at \$5 million each year of the biennium with the funds to be used to develop new assessment models in about 10 school districts. Minnesota will now be a national leader in the movement to a results-oriented educational system.

The Governor's recommendation was for \$4 million per year.

7. The NSF Math-Science Systemic Initiative was funded at \$1.5 million per year.

This was the Governor's recommendation.

8. The appointment of the Commissioner of Education was taken from the State Board of Education and returned to the Governor.

9. Family services and community based collaboratives are funded at \$5 millions for FY 94. \$1.5 million is for collaborative planning grants. \$3.5 millions is for collaborative implementation grants. This language was developed by the Governor's office, Minnesota Planning and Senator Ranum.

10. The extension of Charter Schools was approved. Twelve (12) more may be created. In addition, 3 public schools may apply to the Commissioner for a total waiver of school rules.

11. A youth apprenticeship and youthworks program was established.

The Governor's recommendation included a youth apprenticeship initiative as part of the proposed Department of Children and Education Services.

12. Mandates in the form of both rules and laws are reduced.

The Governor has supported lessening of deregulation.

13. Four school districts in Grant County received a state matching grant of \$6 million to build a cooperative secondary

facility (a regional high school).

The Governor supported this endeavor.

14. There is a significant increase in funds dedicated to staff development as part of the movement to a results-oriented system. In FY 94 1% (\$30.50) and in FY 95 2% (\$63.00) must be reserved from the general education formula allowance and used for staff development.

ASAP as proposed by the Governor requested \$28 million in FY 95 for staff development planning and implementation.

15. An early retirement window offers teachers increased service credit and health benefits. The older school districts with disproportionate numbers of highly trained and senior teachers should be beneficiaries of this provision.

16. Language providing for a transition to an education aid system relying primarily on state funding and relating funding to outcomes was approved. This provision is derived from the Minnesota Business Partnership proposal for restructuring education. The Minnesota Department of Education is required to report an implementation process to the Legislature.

17. The Minnesota Department of Education is funded at the level requested by the Governor. In addition the MDE is provided more flexibility in how we do our budgeting.

To: Commissioner Linda Powell

From: Ann Schluter, Assistant Commissioner  
Sliv Carlson, Director Government Relations

Date: November 29, 1993

Subject: Strategy for 1994 Legislative Session

The overarching goal for an MDE/Executive Branch legislative plan is to facilitate passage of legislation that is consistent with Governor Carlson's philosophy in general as well as specific to Minnesota Department of Education issues.

An important part of the achieving the overall goal is to support the legislators who support the Governor. This activity has involved collaboration with the House and Senate Independent Republican Caucus (who author the Governor's bill) to develop and make recommendations for the Governor's Education Initiatives. MDE staff also provide expert testimony as the authors present the bill to the committees.

The other important activity is to work as closely as possible with the committee chairs and other membership in order to gather as much support as possible for the Governors' and MDE positions and to modify the positions of any non-supporters of the Governor so that they are acceptable to the Governor for final passage and signature.

The foundation for a good legislative strategy lies in first having developed good professional (and sometimes personal) relationships with key legislators and their staffs. This is a year-round activity and all members of the MDE Cabinet should be involved in some way and share input with the cabinet whenever possible. Many MDE staff members are also in regular contact with legislative staff regarding questions about programs and have information to share.

Legislative initiatives should be prioritized by the cabinet along with the arguments for enactment. Legislators who are particularly interested in a specific type of issue can then be approached by the individual (s) who may have developed the trust relationship that can be called upon to garner possible complete

or partial support.

Once supporters of an issue (either party) are identified they in turn need to be supported as the MDE issue is addressed in the legislative process. Frequent, often brief, contact is important.

When it is apparent there will be a vote taken at some point it becomes important to have counted supporters and non-supporters. Activity to support the "yes" votes and to persuade soft "no" votes must take place simultaneously. Issues that are significant for the "no" votes must be identified and the person who can best carry the message and begin the negotiations should be sent if possible.

**FOR IMMEDIATE RELEASE**

May 10, 1994

**For further information:**

Sliv Carlson, MDE Government Relations, 612-296-5279

Cynthia Hanson, Public Information, 612-297-1928

**NEWS RELEASE**

**Governor Carlson will sign Omnibus Education Appropriations Bill**

Commissioner of Education Linda Powell has been informed that Governor Carlson will sign the Omnibus Education Appropriations Bill (Chapter 647) at 3:00 PM Tuesday May 10, 1994.

"This bill will have a positive impact on every student in every district in Minnesota" Powell said. "It is a balanced bill that improves total funding for students in rural, urban, and suburban areas."

The bill does the following:

- \* Improves the amount of revenue available for reducing kindergarten class size by over \$8 million.
- \* Provides additional money to help districts cooperate in offering programs like special education, vocational education and others. It increases the amount available from \$50 to \$67 per pupil unit.
- \* Provides districts more flexibility to phase in the repeal of the excess levy referendum by which many districts raise additional funds. Districts now have until the year 2000 instead of 1997.
- \* Provides \$3 million to improve school bus safety for children.



- \* Provides \$2 million to assist districts with the high costs of transporting special education students, transporting students to secondary vocational education programs and children in noon kindergarten programs.
- \* \$500,000 is provided to assist Burnsville District 191 in meeting costs caused by fire damage to the high school.
- \* In addition, to aid metrowide voluntary desegregation, resources are provided for magnet school planning as well as teacher training.
- \* This bill will assure continued federal funding of \$85 million for Minnesota school students, including \$5 million for preschool special education programs, \$50 million for school age special education students, and \$30 million for youth apprenticeship and youth service programs.

The total improvement in K-12 education funding from the 1994 legislative session is \$54 million.

Governor Carlson is scheduled to sign the bill at 3:00 PM in the Governor's Reception Room.

# # #

TALKING POINTS: OMNIBUS K-12 EDUCATION APPROPRIATIONS (Chapter 3)  
June 6, 1995

*Prepared by Oliver Carlson*

The themes on which the governor's budget proposals were based were accountability, flexibility, and results.

The current funding system rewards districts for spending.

The state cannot continue to provide revenue based on whatever local districts spend.

We need to provide revenue and districts need to budget based on the revenue the state provides.

In times of limited revenue, providing greater flexibility and doing things differently is crucial.

The K-12 bill passed by the House and Senate provides much of the flexibility and accountability the governor wanted. This allows local school boards and school districts to target funds and staff where students need them most and to better meet the identified needs of individual students.

This bill organizes the dollars in a way that helps all kids in all districts.

K-12 state appropriation is \$5,753,904,000 for the 96/97 biennium.

- # \$200 million increase over Governor's recommendation  
(Non-public \$9,686,000 per year)

- # Total revenue to districts in FY 95 \$4,891,000,000

- \*FY 96 \$5,152,900,000 (5.4% increase)

- \*FY 97 \$5,256,500,000 (2.0% increase)

- # Total revenue per average daily membership in FY 95 \$5,991

- \*FY 96 \$6,193 per ADM (3.4% increase)

- \*FY 97 \$6,216 per ADM (0.4% increase)

Basic formula allowance increases from \$3150 to:

- # \$3205 FY 96

- # \$3505 FY 97 (reflects roll-in T&E, transportation)

- # \$3430 FY 98 and thereafter (control of tails costs)

Block funding: These formulas are innovative and protect all districts while enhancing local decision making

General education includes a "blocking" of T&E, transportation and general education aid so that districts will have greater control

over how they use revenue.

- # T&E increases are phased in over 5 years
- # Transportation increases are phased in over 5 years
- # Grandparent protects districts with high costs/senior staff
- # Provides access to increased revenue for districts currently qualifying for lesser amounts

### Facilites and equipment revenue are rolled into total operating capital revenue in FY 97.

- # Targeted Needs
  - \*AOM, LEP, Integration revenues merged
  - \*Provides district flexibility to make decisions regarding best ways to use funds for learners with performance below level appropriate for age

**Technology:** The new K-12 bill creates a framework for school technology and puts Minnesota right on the information superhighway, with funding to support technology in schools and a statewide telecommunications network.

- # Minnesota Education Council will oversee creation of Minnesota Computer Highway to serve all K-12 schools, post-secondary, and community libraries.

- # Provides for real collaboration between K-12 and post-secondary education.

- # Calls for significant local and regional participation in creating, directing, and using technology.

- # All told, over \$32 million total appropriated for technology

**Education to Employment System:** Brings business and education together to ensure that young people gain the skills necessary to get and keep a good paying job.

- # Youth Apprenticeship programs, which prepare our students for successful work after they leave school received \$5 million to support expansion of youth apprenticeship programs and to build on current school-to-work programs.

- # Increases availability of high-skilled workers to assist Minnesota businesses to achieve their economic development goals.

**Department of Children, Families, and Learning created:**

Mn has a recurring structural budget deficit that will amount to 2.5 billion over the next 10 years. It is not likely that additional tax revenues will be available to make up the deficit.

Need to let schools concentrate on teaching children.

Childrens Dept is attempt to locate K-12 education together with social service programs to share the burden.

Children and their families will have the advantage of less confusion and the convenience of "one-stop shopping" with the creation of a Children's Department to coordinate the services and programs that benefit our state's students.

- # Coordinate and streamline fragmented programs for children under one umbrella
- # Designed to measurably improve service to children and families, thereby improving the well-being of children and families.
- # Budget neutral. No new funds appropriated; costs can be absorbed within the internal budgets of affected departments.
- # Family Collaboratives, \$12 million to continue their important work.
- # More efficient use of state dollars

**Graduation Standards:** We are developing one of the most innovative, far-reaching education programs in the nation with our proposed graduation standards.

This bill calls for accountability and results with the continued development and implementation of graduation standards. With new graduation standards, taxpayers, parents, and students will know what they are getting for their tax dollars.

These standards will establish clear expectations for students, identify where students need help, and get them that help early in their educations so they will be well prepared for productive careers and productive lives.

- # This bill provides \$12.5 million for accelerated development and implementation of these standards.

**Charter Schools:** This bill continues our encouragement of innovation by allowing creation of five more charter schools.

- # Cap lifted from 35 to 40
- # 3 may be sponsored by Minnesota public higher education institutions
- # Transportation aid provided

**Staff Development:** Mandate repealed, districts encourage to reserve dollars for staff development

**Special Education:**

- # Cost containment/ Revenue formula provides for caps
- # Districts to consider cost factor when determining IEP

We are still able to provide a budget reserve of \$200 million.

SC:sc

**MARY JOHNSON**  
3705 Knoll Ridge Dr.  
Eagan, Mn. 55122  
(612) 348-2666(w) (651) 681-8740(h)

November 18, 1998

Ms. Emily Anne Staples-Tuttle  
1225 Shoreline Drive  
Wayzata, Mn. 55391

Dear Ms. Staples-Tuttle;


I understand in talking with Harry Sieben that you requested a copy of my resume after hearing of my interest in the Commissioner of Veterans Affairs position under Governor-Elect Ventura. I also provided a copy to Mr. Bosacker indirectly through Vic Moore. I am most grateful for the opportunity to express my interest and briefly discuss my background.

As a veteran with almost twenty years of military experience as a nurse, intelligence officer and attorney, on active duty, in the reserves, and Minnesota Guard, I will bring to the Commissioner's position a thorough understanding of veteran's issues, past, present and future. I have served during peace and in war, in the U.S. and overseas, at the lowest levels of command and with Generals Schwarzkopf and Powell. I did so as a single parent, later attending law school, in the hope that I would inspire my children to work hard and be committed to excellence in all they did. I am committed to serving our state's veterans, whose accomplishments and commitment to this State and the nation, have never been fully recognized or appreciated.

I am equally committed to serving Governor-Elect Ventura and helping him build a legacy that embraces, rather than ignores, his fellow veterans. I will help him understand the issues facing our veterans, including shortcomings in our current laws that arbitrarily leave some of our veterans without benefits. I understand the demands placed upon our leadership and the need for forthright and complete information that will allow our Governor to make bright and reasoned decisions under intense public scrutiny. As an attorney and military judge advocate, I am uniquely qualified to help Governor-Elect Ventura understand his constitutionally mandated role as Commander of the Minnesota National Guard. In this capacity, the Governor, relying on his Guard personnel, reaches out to Minnesota residents when they have been struck by tragedy and disaster. The Governor has a tremendous long term interest in the face of Department of Defense cutbacks, to preserve his constitutional mandate for the benefit of the citizens of this state and the veterans that currently serve.

Thank you for the opportunity to provide my resume and discuss my qualifications and capabilities.

Very truly yours,



Mary (Ginny) Johnson



**MARY JOHNSON**  
**3705 KNOLL RIDGE DR.**  
**EAGAN, MINNESOTA 55122**  
**(612) 348-2666 (W) (612) 681-8740 (H)**

## **EDUCATION**

|                  |   |                                  |
|------------------|---|----------------------------------|
| <b>1991-1994</b> | <b>Cornell Law School</b><br>Ithaca, New York           | <b>J.D.</b><br>Law Review        |
| <b>1986-1987</b> | <b>Defense Intelligence College</b><br>Washington, D.C. | <b>M.S.</b><br>Mideast Studies   |
| <b>1976-1978</b> | <b>Northern Illinois University</b><br>DeKalb, Illinois | <b>B.S.</b><br>Nursing/Chemistry |

## **EXPERIENCE**

|                                    |   |
|------------------------------------|---|
| <b>1997 to present</b>             | <b>Asst. Hennepin County Attorney</b><br>Represent County in community health, employment, tax, contracts and civil commitments.  |
| <b>1993</b><br><b>1995 to 1997</b> | <b>Popham Haik Schnobrich &amp; Kaufman, Minneapolis</b><br>Associate litigator. Civil litigation including consumer fraud, insurance defense, and large commercial cases. Prosecuted misdemeanors for small suburban city. Pro bono work: family law and felony defense.   |
| <b>1994 to 1995</b>                | <b>Minnesota Court of Appeals - Law clerk to Honorable Gary Crippen</b>   |
| <b>1994 to present</b>             | <b>Minnesota Air National Guard</b><br>Staff Judge Advocate. Senior legal advisor to commander/senior staff concerning issues of constitutional authority, discipline, employment law, contracts, federal/state jurisdiction, environment, public relations. Advocate for command in courts martial and administrative actions. Researched and briefed local jurisdictional/ real estate matter to Asst. Secretary of the Air Force.                  |
| <b>1991, 1992</b>                  | <b>Smith and Young Law Offices, Denver</b><br>Summer intern. Research and writing, primarily employment law cases.  |
| <b>1982 to 1994</b>                | <b>Department of the Air Force, various locations</b><br>Civilian and military (active duty and reserves) Intelligence Analyst. Served on the staffs of and advised Generals Powell and Schwarzkopf, assisted in planning, development and implementation of the air campaign during Desert Shield and Desert Storm. Prepared intelligence portion of daily CNN briefings, developed briefing for President Bush, graphics maintained in Oval Office. |
| <b>1979 to 1982</b>                | <b>Department of the Air Force, various locations</b><br>Charge Nurse, newborn nursery and labor and delivery.  |
| <b>1978 to 1979</b>                | <b>University of Wisconsin Hospital, Madison</b><br>Staff Nurse, general surgical ward.   |

References available on request

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(612) 921-4603

TEL 612 896 1700  
FAX 612 896 1704  
E-MAIL: bsc@pconline.com

November 19, 1998

Emily Anne Staples Tuttle  
1225 Shoreline Drive  
Wayzata, Minnesota 55391

Dear Emily Anne:

I understand that Joanne Benson is going to suggest Chuck Williams for Commissioner of the Minnesota Pollution Control Agency. As noted on the enclosed resume, Chuck was the MPCA Commissioner from 1991-96. I've worked with Chuck in his capacity as MPCA Commissioner and as Vice President of EVTAC Mining.

In my opinion, he fits the new Ventura administration "to a T." He understands business, he has a strong commitment to good government, he has the respect of the Legislature and he knows how to "think out of the box."

I've taken the liberty of sending you the enclosed resume and would be glad to further discuss this matter with you at your convenience.

Best regards,



RSB:slh

Robert S. Burk

Enclosure

P.S. I understand that Kathleen Ridder has brought you up-to-date on our last Mitchell Steering Committee meeting. We obviously have a lot to do and we certainly need your help and guidance. I hope that you don't have too much on your plate! The next tentative meeting of the Steering Committee is December 17<sup>th</sup>. Let me know if this works for you.

**CHARLES W. WILLIAMS**  
**5988 BAYBERRY DRIVE**  
**WHITE BEAR LAKE, MN. 55110**  
Home Phone (651) 426-8134 Home Fax (651)-653-2027  
Work Phone (218) 744-7824

**PROFESSIONAL OBJECTIVE:**

A command position in management where my strong communication skills, my creative ability to innovate and implement new ideas in a "shirt-sleeve" environment would be an asset.

**WORK EXPERIENCE:**

**JULY 1996 TO PRESENT:**

**VICE PRESIDENT**

**INTERNAL & EXTERNAL AFFAIRS**

**EVTAC Mining**  
**Eveleth, MN**

- Report directly to the President.
- Corporate responsibilities for labor relations, personnel, safety and health, loss management, environment, governmental relations and public relations.
- Appointed by Governor Carlson to the Roundtable on Vocational Education, 1997
- Appointed by Governor Carlson to the Minnesota State Colleges and Universities Board of Trustees, 1997
- Re-appointed by Governor Carlson to the Minnesota State colleges and Universities Board of Trustees, 1998 for a six year term.

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**FEBRUARY 1991 TO JULY 1996:**

**COMMISSIONER**

**MINNESOTA POLLUTION CONTROL AGENCY (MPCA)**  
**St. Paul, MN.**

- Served on governor's cabinet as the Chief Operating Officer for the State of Minnesota's environmental protection agency, directly accountable to the governor.
- Accountable as the COO for two state environmental agencies, with 850 employees and a combined annual budget of \$142 million.
- Chairman of the nine member Citizens' Board.
- Chairman of the state Environmental Quality Board

- Chairman of the governor's environmental agencies cluster
- Implemented and administered state and federal environmental programs on a statewide basis.
- Accountable for state and federal air quality, superfund, hazardous waste, water quality, solid waste, and ground water environmental protection programs.
- Provided special consulting for the governor on management problems for the state's largest wastewater treatment facility.
- Served as appointee of U.S. Environmental Protection Agency (U.S. EPA) Administrator Carol Browner on the U.S. EPA's Common Sense Initiative for the Iron and Steel industry and to the umbrella group that oversees the six-industry sector initiative.

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**JULY 1986 TO FEBRUARY 1991:**

**EXECUTIVE DIRECTOR**

**WESTERN LAKE SUPERIOR SANITARY DISTRICT (WLSSD)  
Duluth, MN.**

- Served as the chief executive officer of the organization that regulates waste management activities for three counties and eighteen communities.
- Reported to nine-member citizens' board.
- Accountable for operations of a \$120 million facility, which provided wastewater treatment, solid waste management, including a landfill, and a solid waste processing facility.
- Provided long-range operational and financial planning, public relations, and legislative efforts.
- Accountable for an annual budget of \$16 million and approximately 100 employees.

**MANAGER OF MAINTENANCE AND ENGINEERING**

- Managed Maintenance and Engineering functions of WLSSD.
- Controlled operation of the landfill 50 miles of interceptor sewer lines and associated pump stations, a state-of-the-art wastewater treatment plant, the incineration system, and a refuse-derived fuel production plant.

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**NOVEMBER 1966 TO JULY 1986:**

**SUPERINTENDENT OF MECHANICAL MAINTENANCE**

**RESERVE MINING COMPANY**

**Babbitt and Silver Bay, MN.**

- Responsible for all operating and personnel aspects of the maintenance department.
- Coordinated and supervised a staff varying from 140 to 370 hourly employees and 15 to 45 salaried employees.
- Managed a multi-million-dollar maintenance budget.
- Conducted periodic seminars on shop safety and management techniques.
- Supervised the repair and maintenance of process equipment, mobile equipment, heavy-duty mining equipment, buildings, and other facilities.
- Responsible for a warehouse with a \$3.5 million inventory.

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**NOVEMBER 1965 to NOVEMBER 1966:**

**PLANT SUPERINTENDENT**

**HARFORD BRICK AND TILE**

**Joppa, MD.**

- Supervised the production and maintenance of a sand-lime brick manufacturing plant.
- Coordinated activities from groundbreaking to full operation.

---

**NOVEMBER 1963 to MAY 1965:**

**INDUSTRIAL EDUCATION INSTRUCTOR**

**EDGEWOOD HIGH SCHOOL**

**Edgewood, MD.**

- Taught courses in machine shop, welding, and foundry to high school students.

**MILITARY SERVICE:**

- Enlisted in the U.S. Air Force in 1957.
- Served in personnel.
- Honorably discharged in 1959.



**EDUCATION:**

**January 1964:**

- Graduated from the University of Wisconsin-Stout.
- Earned Bachelor of Science degree in Industrial Education.
- Primary Emphasis: Automotive Mechanics.
- Secondary Emphasis: Machine Shop.

**Fall 1984:**

- University of Wisconsin-Madison sponsored by Reserve Mining Company.
- Completed seminars in management training.

**Fall 1979:**

- University of Minnesota, Minneapolis, Minnesota Management Academy.
- Completed 10-day seminar in management techniques.

**PERSONAL DATA:**

- Married to Fran
- Two children
- Special interest in boating.
- References available on request.



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participation in organized  
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info@mcf.org  
www.mcf.org

November 20, 1998

Ms. Emily Ann Staples Tuttle  
1225 Shoreline Drive  
Wayzata, MN 55391

Dear Emily Ann:

Congratulations on being appointed as a member of Governor-elect Ventura's transition advisory panel! We are excited for the governor, for you and for the people of Minnesota. We know that the experience and wisdom that you can share with Mr. Ventura will greatly enrich the transition process and help shape future directions for the state of Minnesota.

We are eager to talk with the Governor-elect and would welcome whatever advice you can give us about how we can both inform him about philanthropy in Minnesota as well as learn more about his agenda on issues of concern to private grantmakers. I am writing to Reatha, Peter, and Tim Penny to ask for their suggestions as well.

I know that you will be busy in the coming weeks working on the transition, but I would like to give you a call to see if we can identify ways in which we might initiate conversation with Mr. Ventura.

Again, Emily Ann, congratulations on this new opportunity to contribute to our community!

Sincerely,

Jacqueline Reis  
President

INTERNATIONAL BUSINESS DEVELOPMENT COUNCIL.INC

421 196TH DRIVE NORTHWEST

ELK RIVER, MINNESOTA 55330

PHONE/FAX 612-441-4689 USA

E-MAIL IBDC.COM.@JUNO.COM

MOSCOW, RUSSIA

PHONE/FAX (7-095)330-6654

TODD JEFFERY LEFKO

PRESIDENT

TO: EMILY ANN  
FAX: 473-9120  
FROM: TODD

DEAR EMILY ANN,

HOPE EVERYTHING GOING WELL. I WILL BE IN MINNESOTA UNTIL  
NEW YEARS...IF YOU HAVE FREE TIME, WOULD LOVE TO SEE YOU.

HOPE TO SEE YOU SOON....

T

## *A PROCESS FOR MINNESOTA'S PARTICIPATION IN OUR FUTURE*

### CONCEPT

THAT AN ORGANIZED PROCESS BE ESTABLISHED STATEWIDE TO DEVELOP MINNESOTA AS A MODEL FOR THE FUTURE OF THE UNITED STATES AND THE WORLD IN TECHNOLOGY, EDUCATION, CIVILITY AND ADMINISTRATION.

THAT THE GOVERNOR BE VIEWED AS A MAJOR DEFINER OF ISSUES FACING MINNESOTA IN THE NEW CENTURY.

THAT WE BELIEVE IN OURSELVES AND OUR FUTURE TOGETHER

THAT MINNESOTA BE VIEWED AS A SPECIAL PLACE WHERE PROBLEMS CAN BE FACED, DISCUSSED AND SOLVED.

### ISSUES

1. HOW DO WE BUILD A THEME FOR THE ADMINISTRATION. HOW DO WE CREATE A VISION FOR THE STATE WHICH WILL EXCITE THE POPULATION, IS EASILY UNDERSTOOD AND INCLUDES THE CITIZENS IN ITS DEVELOPMENT.
2. HOW CAN THE GOVERNOR'S OFFICE BE THE SHAPER AND DEFINER OF THE PUBLIC ISSUE DISCUSSION WITHIN MINNESOTA.
3. HOW CAN WE SHAPE THE FOCUS ON GOALS FOR MINNESOTA.
4. HOW DO WE DEVELOP A PROCESS TO BRING THE VARIOUS INTEREST GROUPS AND CITIZENS TOGETHER.
5. HOW DO WE INCREASE PRIDE IN MINNESOTA'S CITIZENS AND INCREASE THE FEELING THAT WE ARE A SPECIAL PLACE AND NEED TO WORK TOGETHER TO MAINTAIN THAT UNIQUENESS. A VISION WHICH IS BASED UPON RESPONSIBILITY AND ACCOUNTABILITY OF CITIZENS AND PUBLIC AND PRIVATE INSTITUTIONS.
6. HOW DO WE REBUILD A NATIONAL REPUTATION AS AN IDEA CENTER OF THE WORLD.

### THEMES

1. WITH A NEW CENTURY, WE NEED NEW APPROACHES FOCUSED UPON THE FUTURE.
2. WITH A NEW ADMINISTRATION, WE NEED TO BUILD QUICKLY A FEELING THAT WE ARE IN CONTROL OF OUR CHOICES.
3. THE FUTURE WILL BRING MANY CHANGES, AND THIS IS ONE PLACE THAT IS PREPARED.
4. THAT NOT EVERYTHING CAN BE DONE BY GOVERNMENT, BUT THAT EVERYONE SHOULD HAVE A FULL UNDERSTANDING OF THE ROLE OF GOVERNMENT AND OF THE IMPLICATIONS OF GOVERNMENTAL ACTIONS.
5. THAT MINNESOTA IS A SPECIAL PLACE, BUT FACING MANY PROBLEMS WHICH HAVE NOT BEEN SOLVED AND IF NOT DEALT WITH, WILL DESTROY OUR QUALITY OF LIFE.
6. THAT WE HAVE THE RESOURCES IN OUR PEOPLE AND OUR INSTITUTIONS TO SOLVE OUR PROBLEMS.
7. THAT NEW ISSUES ARE APPEARING, SUCH AS OUR ROLE IN AN INCREASINGLY UNSTABLE WORLD ECONOMY. THAT WE NEED TO MAKE OURSELVES RECESSION PROOF. THAT WE NEED TO BUILD AN ECONOMY WHICH TIES TOGETHER KNOWLEDGE, TECHNOLOGY, AGRICULTURE, TOURISM AND MEDICINE.
8. THAT WE ARE FACING INCREASING COMPETITION FROM OTHER STATES AND COUNTRIES AND NEED TO BE SMARTER AND BETTER ORGANIZED TO BE COMPETITIVE.

PAGE TWOBASIC PROBLEMS AND QUESTIONS

1. HOW DO WE BUILD NEW EDUCATIONAL FORMS WITHIN A PUBLIC SYSTEM.
2. HOW TO STRENGTHEN THE GROWTH OF SMALL TOWNS AND FAMILY FARMERS.
3. HOW TO BUILD A STRONGER BUSINESS-EDUCATION RELATIONSHIP WITH INCREASED INTERDEPENDENCE BETWEEN TECHNICAL SCHOOLS, UNIVERSITIES AND EMPLOYERS.
4. HOW TO INCREASE THE GROWTH OF TECHNOLOGY AS AN ECONOMIC BASE FOR MINNESOTA.
5. HOW TO BUILD A MULTICULTURAL SOCIETY.
6. HOW TO SEE MINNESOTA AS A PLACE WHERE PROFESSIONAL SPORTS FIT WITHIN A FABRIC OF LIFE WHICH INCLUDES, SPORTS, ARTS AND PHYSICAL DEVELOPMENT.
7. HOW TO INSURE PROPER GOVERNMENTAL ACTIVITY IN THE DEREGULATION OF PUBLIC SERVICES, SUCH AS POWER.
8. HOW TO BUILD A STATE WHERE THE CITIZENS ARE PARTICIPANTS AND NOT ONLY SPECTATORS.
9. HOW TO BUILD A STATE IN WHICH PEOPLE BELIEVE THEY ARE RECEIVING VALUE FOR THEIR TAXES AND WHERE THE TAX STRUCTURE IS BOTH FAIR AND SUPPORTIVE OF PUBLIC POLICIES.
10. HOW TO BUILD A STATE WHICH IS SAFE FOR CHILDREN AND FAMILIES.
11. HOW TO BUILD A CIVIL SOCIETY WHERE EVERYONE FEELS THEY HAVE BOTH RIGHTS AND RESPONSIBILITIES.
12. HOW TO BUILD A STATE WHERE AGRIBUSINESS BECOMES THE MODEL FOR THE WORLD.
13. HOW TO BUILD A STATE WHICH REALIZES THAT GOOD ENVIRONMENTALISM IS THE BEST AND ONLY ECONOMICS.
14. HOW TO BUILD A SET OF PROGRAMS AND PROCESSES WHERE THE REST OF THE UNITED STATES AND THE WORLD RECOGNIZES MINNESOTA AS THE MOST ADVANCED AND CIVIL SOCIETY.
15. HOW TO INCREASE THE INTEGRATION OF MINNESOTA'S ECONOMY WITH THE REST OF THE WORLD AND INCREASE OUR EXPORTS.
16. HOW TO DECREASE OUR DEPENDENCE UPON OUTSIDE RESOURCES AND INCREASE OUR ROLE AS SELF RELIANT SOCIETY.
17. HOW TO BUILD STATE SUPPORT FOR NEW TECHNOLOGIES, SUCH AS COMMUNICATIONS, CERAMICS, BIOTECHNOLOGY AND INFORMATION.
18. HOW DO WE ADJUST TO DEMOGRAPHIC CHANGES ON BOTH THE SOCIETY AND ECONOMY.
19. HOW DO WE INCREASE GOVERNMENT'S EFFECTIVENESS AND COST EFFICIENCY IN THE PROVISION OF SERVICES.
20. HOW DO WE INCREASE THE ROLE OF TOURISM AS A CONSISTENT BASE FOR OUR ECONOMY. HOW DO WE INCREASE OUR APPRECIATION OF AND BENEFIT FROM OUR HISTORY.
21. HOW DO WE STABILIZE AND SECURE OUR EMPLOYMENT AS A RESOURCE IN AN INCREASINGLY MOBILE SOCIETY.
22. HOW DO WE STIMULATE THE GROWTH OF OUR MEDICAL ALLEY.
23. HOW DO WE BUILD BOTH AN ETHICAL SOCIETY AND GOVERNMENT.
24. HOW DO WE INCREASE THE RULE OF LAW.
25. HOW DO WE BUILD MINNESOTA AS A WORLD FINANCIAL CENTER IN AN ERA OF MOBILE CAPITAL.
26. HOW DO WE INCREASE THE ROLE OF EVERY PERSON AS A VALUED CONTRIBUTOR...FROM YOUTH SERVICE TO SENIOR PARTICIPATION.

NOW, HOW DO WE ACHIEVE THIS



PAGE THREE

I PROPOSE THAT THE STATE PLANNING FUNCTION BE REFOCUSED AS THE SHORT AND LONG RANGE PLANNING ARM OF THE GOVERNOR. THIS WILL BE ACCOMPLISHED BY STRESSING THAT WE HAVE DEVELOPED A SPECIAL MINNESOTA APPROACH.

I PROPOSE THAT THE GOVERNOR DECLARE A PROGRAM WHERE MINNESOTA WILL BE THE ONE PLACE IN THE UNITED STATES WILLING TO TAKE A LONG TERM OVERVIEW OF OUR PROBLEMS, IN ORDER TO SOLVE THEM BEFORE THEY BECOME CRISES.

THE GOVERNOR WILL CONTINUE TO EMPHASIZE THAT WE ARE BUILDING THE MINNESOTA OF THE FUTURE AND THAT WE NEED TO FACE OUR PROBLEMS DIRECTLY TO SOLVE THEM, REGARDLESS OF THE POLITICAL CONSEQUENCES. THAT WHAT IS REQUIRED IS NOT ONLY THE ACCUMULATION OF TRENDS, BUT THE ASSIMILATION OF THEIR IMPACT AND INTERRELATIONSHIP UPON OTHER SEGMENTS OF THE SOCIETY. THAT A CONCERTED EFFORT BE MADE THROUGH THE GOVERNOR'S OFFICE TO SHAPE THE DISCUSSION OF THESE ISSUES THROUGH THE PLANNED DISSEMINATION OF THESE ISSUES TO GOVERNMENT, EDITORIALISTS, CITIZENS, INTEREST GROUPS AND INSTITUTIONS.

1. THAT REPORTS ON FUTURE CHOICES BE PUBLISHED AS A PLANNED PROCESS OF ISSUE MANAGEMENT
2. THAT PUBLIC PRESENTATIONS BE ORGANIZED ON FUTURE CHOICES FACING MINNESOTA FOR CIVIC GROUPS ACROSS OUR STATE.
3. THAT CONFERENCES BE ORGANIZED TO ASSIST IN THE SHAPING OF BOTH PUBLIC OPINION AND ISSUE RESOLUTION.
4. THAT AN ORGANIZED PROCESS OF CITIZEN TASK FORCES BE DEVELOPED TO FACE ISSUES BEFORE THEY BECOME CRISES(SUCH AS THE STADIUM FACILITIES, WHICH BECAME A CRISIS BECAUSE OF THE WAY IT WAS APPROACHED)
5. THAT PUBLIC INVOLVEMENT IN ISSUES BE INCREASED BY ORGANIZED DISCUSSION OF PUBLIC PROBLEMS IN SCHOOLS, WITH EVERYTHING FROM DEVELOPMENT OF CURRICULUM TO STATE PROBLEM SOLVING CONTESTS WITH PRIZES.
6. THAT WE DEVELOP A PROCESS ON THE LONG TERM FUTURE OF MINNESOTA UTILIZING LOCAL CITIZENS, FUTURISTS AND THINKER IN A VARIETY OF FIELDS.
7. THAT A TASK FORCE ON SPORTS AND RECREATION BE ESTABLISHED TO DEVELOP AN OVERVIEW WHICH INCLUDES STADIUMS, FACILITIES, YOUTH SPORTS AND RECREATION.
8. THAT JOINT PROGRAMS BE DEVELOPED WITH THE MINNESOTA HIGH TECHNOLOGY COUNCIL.
9. THAT A CLEARER DEFINITION OF THE ROLE OF THE STATE BE ESTABLISHED AND DECLARED IN CRIME FIGHTING.
10. THAT A COMMISSION BE REESTABLISHED( E.G THE LATIMER COMMISSION) TO PROVIDE AN OVRERVIEW AND RECOMMENDATIONS ON STATE TAXES.
11. THAT BOTH STAFF AND CITIZEN TASK FORCES ADEQUATELY REFLECT THE CHANGING MULTICULTURAL ASPECT OF OUR STATE.
12. THAT A COMMISSION BE ESTABLISHED ON THE ROLE OF STATE, REGIONAL AND LOCAL GOVERNMENTS, WHICH WOULD INTERACT WITH THE COMMISSION ON TAXATION. THE COMMISSION WOULD EXAMINE BOTH FUNCTIONS, INTERRELATIONSHIPS AND FINANCIAL SUPPORT FOR THE FUTURE.
13. THAT A TASK FORCE ON EDUCATIONAL ALTERNATIVES BE ESTABLISHED TO MAKE RECOMMENDATIONS ON SUCCESSFUL PROGRAMMING IN PUBLIC EDUCATION.
14. THAT A TASK FORCE ON INCREASED BUSINESS- EDUCATIONAL RELATIONSHIPS BE ESTABLISHED.

PAGE FOUR

15. THAT A TASK FORCE ON THE GROWTH OF TOURISM BE ESTABLISHED TO DEVELOP STRATEGIES TO ASSIST THE INDUSTRY.
16. THAT A TASK FORCE BE ESTABLISHED TO EXAMINE BOTH SOCIAL AND TAX POLICIES FOR SENIORS AND HOME CARE.
17. THAT AN INCREASED PROGRAM OF CITIZEN SERVICE BE ESTABLISHED WHICH FOCUSES UPON YOUTH SERVICE, VOLUNTEERISM AND SENIOR PARTICIPATION IN PROGRAMS.
18. THAT AN EFFORT BE MADE IN THE NATIONAL MEDIA TO SELL MINNESOTA AS THE PLACE WHERE NEW IDEAS ARE SOLVING SOCIETY'S NEEDS.

I WOULD BE HAPPY TO MEET WITH YOU TO DISCUSS DEVELOPMENT OF THESE CONCEPTS.

TODD LEFKO  
612-441-4689

11 November 1998

Governor-Elect Jesse Ventura  
B5 Capitol Bldg 75 Constitution Ave  
St Paul, MN 55155

Dear Governor-Elect Ventura:

I am writing to you in order to be considered for job employment within your upcoming administration. I am currently a graduate student at the University of Minnesota in Minneapolis, and I am also in the process of sending out resumes in order to gain employment in the near future.

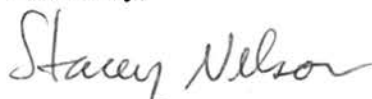
I had been out of the state for a period of six months for personal reasons, and I returned to Minnesota in September. Since that time, I have been studying seven days a week for my final examinations for my master's degree. I took my final written examination on Election Day, and I will take my final oral examination on 23 November. I will be available for employment after that date.

Here is a quick summary of my career thus far. I graduated from the USAF Academy with a BS in Astronautical Engineering in 1991. After graduation, I worked in satellite space launch for five years with most of my time acting as the launch conductor for the countdown. I separated from the Air Force in 1996 in order to run as an **Independent candidate (affiliated with the Reform Party) for the US House of Representatives** in my home state of South Dakota. After the election, I began graduate school. I will receive an MA in Political Science (concentration in International Relations) with a minor in Public Affairs (concentration in Community and Economic Development) next month.

I am most interested in job opportunities that will allow me to have a great deal of face-to-face contact with other people on a daily basis. I am also most interested in positions that involve coordination of issues as well as advising, briefing, or recommending solutions to problems to management. I have a tremendous amount of experience in these areas from my past occupation.

Regardless of whether or not you have job availabilities in these areas, I am open to consideration of other opportunities that you may have. I have enclosed my resume for your review. In addition to contact information on my resume, you can reach me at my brother's residence at (612) 851-9989. Thank you very much for your consideration regarding this matter, and I look forward to hearing your response.

Sincerely,



Stacey Nelson

**MR. STACEY L. NELSON**  
1900 East 86<sup>th</sup> Street #111  
Bloomington, MN 55425  
Home Phone: (612) 851-9989

  
e-mail: nels1557@tc.umn.edu  
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**PROFESSIONAL  
PROFILE**

- \* **Reform Party Candidate for US Congress in South Dakota's at-large district in 1996 general election**
- \* 9 years military experience (4 cadet and 5 officer)
- \* Selected to be satellite launch conductor at age 24 – possibly youngest in US history - held 1 of about 25 such positions in US and 1 of about 100 in world
- \* Managed space launch operations for multi-billion \$\$\$ mission – roughly size of budget of home state
- \* Managed work activities for several hundred personnel (90% civilians) on daily basis and nearly 1000 personnel during launch countdown activities
- \* Workload management experience including planning, scheduling, and integration
- \* Advised and briefed senior management on issues and concerns - recommended solutions to problems
- \* Contractor coordination experience

**EDUCATION**


**UNIVERSITY OF MINNESOTA, MINNEAPOLIS**  
Master of Arts Degree in Political Science (concentration in International Relations) with minor in Public Affairs (concentration in Community and Economic Development). Other coursework includes International Trade and Finance Economics and Comparative Economic Systems.  
GPA: 3.62 (UMN only). GPA: 3.74 (UMN and UND).  
Graduation: December, 1998.

**UNITED STATES AIR FORCE ACADEMY, COLORADO SPRINGS, COLORADO**  
Bachelor of Science Degree in Astronautical Engineering. Attained highest distinction list 4 of 8 semesters.  
Graduation: May, 1991.

**EXPERIENCE**

**UNITED STATES HOUSE OF REPRESENTATIVES CANDIDATE, SOUTH DAKOTA**  
Reform Party Candidate. Managed grass-roots campaign on shoe-string budget. Ran as non-partisan moderate centrist in order to represent all citizens in fair, just, and impartial manner. Advocated free and fair economy, campaign finance and lobby reform, and personal and social responsibility. Placed 3rd out of 4 candidates.  
Duration: May to November 1996.

**MR. STACEY L. NELSON**  
1900 East 86<sup>th</sup> Street #111  
Bloomington, MN 55425  
Home Phone: (612) 851-9989

  
e-mail: nels1557@tc.umn.edu  
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**EXPERIENCE**  
**(continued)**

4TH SPACE LAUNCH SQUADRON, VANDENBERG AIR FORCE BASE, CALIFORNIA  
Satellite Launch Conductor. Conducted daily integrated scheduling meetings to coordinate work efforts of several aerospace contractors. Assigned responsibility for planning, safety, security, and integration of all aspects of launch cycle. Involved with multiple mission planning options. Conducted satellite launch countdown for Titan rockets. Acted as Re-Entry Team Leader and Tower Roll Team Leader in launches prior to becoming launch countdown conductor. Authored Titan II/IV post-launch Re-Entry Team Plans and Titan IV Tower Roll Team plan. Implemented long-term schedule to integrate "gap" between multiple mission plans and daily schedules as quality improvement. Held positions of Booster Rocket Operations Countdown Controller, Solid Rocket Motor Systems Engineer, and Liquid Rocket Mechanical Systems Engineer prior to becoming Satellite Launch Conductor. Salary: \$35,120 (1996 basic pay), \$46,630 (with housing and subsistence allowances), \$58,770 (with dental/medical coverage and tax advantages). Security Clearances: TS/SBI (1995), SBI (1992), TS/SBI (1990). Rank: Captain. Employment: May 1991-May 1996.

**ACTIVITIES and**  
**AWARDS**

- \* 1997: Gave Veterans' Day Address in Milbank, SD
- \* 1997: Stacked sandbags in Grand Forks, ND flood
- \* 1996: Gave Memorial Day Address in Clear Lake, SD
- \* 1996: USAF Space Launch Team of the Year Award
- \* 1996: Helped lead base to first-ever "excellent" rating for space launch wing in USAF history
- \* 1995: Led space launch team to rare "perfect" certification score
- \* 1991-96: Involved in 8 - \$500+ million government satellite launches of highest national priority
- \* 1989-90: Instructed basic cadet training at United States Air Force Academy
- \* 1989: Soloed in sailplane
- \* 1988: Completed military land/water survival training
- \* 1988: Parachuted free-fall style
- \* 1985-87: Led in high school as Cross-Country Team Captain, Track Team Captain, President of Major Letterwinners Club, Vice President of Student Council



**Terrance S. Hitchcock**

**15394 Fish Point Road  
Prior Lake, Minnesota 55372  
Tel. (612) 440-8444  
Terryhitchcock@hotmail.com**

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November 20, 1998

Mrs. Emily Anne Gedney  
1225 Shoreline Drive  
Orono, MN 55391

Dear Emily:

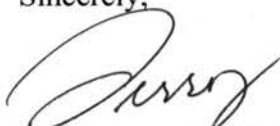
First, I want to apologize for bothering you at home, but I felt it important to say hello and share some material with you. As you may remember, we meet each year at John Pope's home near the holidays. John has been a good friend of mine for many years and he is a friend of Gedney. John suggested that I write to you.

I was very pleased to see Jesse receive the recognition he has over these many months. We need some change and perhaps he can help with that change. Speaking of change, in 1996 I decided to help make a difference in the lives of children and single parent families. I wanted to tell, whoever would listen, the plight of this group of more than 35 million people in this country alone. To gather that attention and audience, I began a trek, a run, from my home in the Twin Cities to Atlanta. I ran a marathon each day for 75 consecutive days; 1918 miles. I've been told that the record for consecutive marathons is 3 days. I guess I broke it. The enclosed nine pages tells of the story and is written by Dr. Peter Jessen from Portland OR.

At the insistence of others, I have also enclosed a list of "leaders" that I interviewed for a successful book I wrote on our country. Also enclosed is a bio that is used in speeches I give, and, of course, my resume. Currently, I am President of a successful high technology company and have recently decided to make a difference in some other way. I would like Jesse and his focus to be that opportunity for me to make a "difference".

Emily, I trust that this is not an intrusion on your family and privacy. I felt it important enough to take the opportunity. If you find it important also, please feel free to share my material with the proper individual. I have strong education credentials, a passion for children and families and a successful 30 years of business experience.

Sincerely,



Dr. Terrance S. Hitchcock

Enclosures

## **Terrance S. Hitchcock**

Dr. Terry Hitchcock is an accomplished business executive and leader bringing extensive experience in management consulting and running businesses. He has a wide range of experience and has held executive positions with such companies as The Coca-Cola Company, General Motors Corporation, Data Card Corporation, Gulf + Western Industries, A.T. Kearney Management Consultants and Leaseway Transportation. In addition he has been successful in his own start-ups to include Medi-4, HMIS Inc. and Virtual Reality Ltd. Terry has had responsibility for closing offices, divisions, restructuring companies and growing ideas and technologies from inception to a successful conclusion. His success has been so noted in national and international papers and writings.

In 1980, he was selected by a major magazine as one of the top three leaders of human resources for the 80's. In 1981, Dr. Hitchcock wrote American Business: The Last Hurrah? In his book, he addressed various issues facing Corporate America and interviewed over 100 leaders from around the world, including Henry Kissinger, Jimmy Carter, Dean Rusk, Gerald Ford, Andrew Young and Keijo Saji. Terry interviewed foreign heads of state, the heads of the major U.S. TV networks (NBC, ABC, CBS, CNN) and the heads of international labor unions).

He has also earned a masters and doctorate in business and a law degree, thereby successfully blending the practical, day-to-day demands of business management with the theoretical dimension as well.

In 1996, Dr. Hitchcock ran 75 consecutive 26-mile marathons in 75 days (1918 miles), from St. Paul, Minnesota to Atlanta, Georgia, to heighten the awareness of the plight of children in single parent families. His passion for protecting and supporting children has been obvious throughout his life. As a single parent himself, he successfully raised three children.

Today, Terry is President of EdView, Inc., an innovative technology company that makes all major web browsers kid-safe. EdView's technology places a digital safety net over all forms of Internet access, including web browsers, File Transfer Protocol, email, Internet Relay Chat or any other applications that use Internet protocols.

[Terryhitchcock@hotmail.com](mailto:Terryhitchcock@hotmail.com)

Wrote successful book, *American Business: The Last Hurrah?* (Dow Jones Irwin) on critical issues of this country to include productivity, regulations, education, social responsibility, spirituality, women/people of color, energy and multi-nationals. Interviewed over 100 leaders of this country as well as other countries to include (titles used at time of interview) -

|                         |  |
|-------------------------|--|
| Gerald Ford             | President of the United States                   |
| Henry Kissinger         | Secretary of State of the United States          |
| Andrew Felton Brimmer   | Chairman of Federal Reserve Bank                 |
| Eli Ginzberg            | Economist, New York University                   |
| George Busbee           | Governor of Georgia                              |
| Peter Drucker           | "Best selling author"                            |
| Clarence Kelly          | Director of the FBI                              |
| Lester Maddox           | Former Governor of Georgia                       |
| Margaret Mead           | World Known Sociologist                          |
| Betty Southard Murphy   | Chairman of National Labor Relations Board       |
| William Scranton        | Governor of Pennsylvania                         |
| Willard Wirtz           | Secretary of Labor of the United States          |
| J. Paul Austin          | Chairman of The Coca-Cola Company                |
| Alex Haley              | "Roots"  |
| Griffin Bell            | Attorney General of the United States            |
| S. I. Hawakawa          | Senator of California/UN representative          |
| Daniel Bell             | International Sociologist                        |
| Julian Goodman          | Chairman of NBC                                  |
| Austin Kiplinger        | "Kiplinger Newsletter"                           |
| Edward M. Kennedy       | Senator of Massachusetts                         |
| I.W. Abel               | President of the United Steelworkers of America  |
| William L. Batt         | President of National Center for Productivity    |
| W. T. Beebe             | Chairman of Delta Air Lines                      |
| Julian Bond             | State Senator of Georgia                         |
| Frank Borman            | President of Eastern Air Lines                   |
| Thornton Bradshaw       | Chairman of RCA                                  |
| D.W. Brooks             | "Served 6 Presidents/world food hunger"          |
| Edmund G. Brown, Jr.    | Governor of California                           |
| Ramsey Clark            | Attorney General of the United States            |
| John K. Collings, Jr.   | Vice Chairman of The Coca-Cola Company           |
| Malcom L. Denise        | Economist, Ford Motor Company                    |
| Henry Duncombe          | Economist, General Motors Corporation            |
| Fred K. Foulkes         | Professor, Boston University                     |
| Wyche Fowler, Jr.       | U.S. Representative, Georgia                     |
| Walter Gerken           | Chairman of Pacific Mutual                       |
| C. Jackson Grayson, Jr. | President of the American Productivity Center    |
| Peter E. Haas           | Chairman of Levi Strauss & Co.                   |
| James L. Hayes          | President of the American Management Association |
| Donald P. Jacobs        | President of Northwestern University             |
| David N. Judelson       | President of Gulf + Western Industries           |
| Herman Kahn             | Chairman of the Hudson Institute                 |

|                       |  |
|-----------------------|--|
| Donald M. Kendall     | Chairman and CEO of PepsiCo                    |
| Juanita M. Kreps      | Secretary of Commerce of the United States     |
| Felix E. Larkin       | Chairman of W.R. Grace Co.                     |
| George Cabot Lodge    | Professor, Harvard University                  |
| Paul W. McCracken     | Secretary of Commerce of the United States     |
| Richard B. Norment    | Director of NAB                                |
| Dean Rusk             | Secretary of State of the United States        |
| Keizo Saji            | Chairman of Suntory (largest company in Japan) |
| Charles Bluedorn      | Chairman of Gulf + Western Industries          |
| Grant G. Simmons, Jr. | Chairman of Simmons Corp.                      |
| Arthur R. Taylor      | President of CBS                               |
| Ted Turner            | Chairman of CNN                                |
| John R. Van de Water  | Commissioner of Labor, California              |
| Rawleigh Warner, Jr.  | Chairman of the Mobil Oil Corp.                |
| J. S. Webb            | Vice Chairman, TRW                             |
| Andrew Young          | UN Representative to the United States         |
| Elliott Richardson    | Cabinet Officer, Carter administration         |
| Jimmy Carter          | President of the United States                 |

**Terrance S. Hitchcock**  
(612) 440-8444 (home)  
[Terryhitchcock@hotmail.com](mailto:Terryhitchcock@hotmail.com)

15394 Fish Point Road  
Prior Lake, Minnesota 55372

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**Qualifications:**

**Business Consultant.** An accomplished leader.

**National Recognition.** By proclamation, honored by various State and City Governments for work done to help single parent families and their children.

**Practical, Not Theoretical.** Evaluated reorganization for major \$14 billion corporation.

**Innovative Leader.** Implemented successfully one of industry's first four-day workweek.

**Growth Oriented.** Directed acquisition and planning activity for clients.

**High Achiever.** Presented over 400 policies, worldwide, for implementation.

**Unusual Negotiator.** Negotiated settlement for three years with militant union. Lowest settlement in 350 facilities and three months before deadline.

**Tough But Sensitive Decision-Maker.** Closed plants/facilities and helped secure jobs for employees.

**Executive  
Experience:**

1997 to present

**EdView, Inc.** (President)

A Minneapolis based Software Company, engaged primarily in the development, licensing, marketing and distribution of its customizable, graphically navigable channel to the Internet for students, parents and schools. The Company created a breakthrough technology that provides total certainty in concert with *smart* Internet access. Interviewed on more than 50 network television and radio programs telling the EdView Story. Company raised \$6 million start-up capital.

1984 to 1997

**Private Business Consultant**

Founded, set-up, organized and managed various Minnesota organizations for profit as well as not-for-profit focus. For example:

**Turbine Technologies, Inc.** (Chief Operating Officer)

Day-to-day operational responsibilities for developing/introducing to market a revolutionary technology relating to next-generation mechanical power systems.

**Virtual Express Ltd.** (President/Board of Directors)

Day-to-day responsibility for developing the business and focus. The technology was leading edge Virtual Reality. (Virtual Reality is the ability to become completely immersed in, interact and navigate through a three-dimensional generated environment, in real time).



**Reflections** (Founder and Vice Chairman)

A non-profit retreat for seriously and terminally ill people.

**J&B Wholesale** (President and Chief Operating Officer/Board of Directors)

Day-to-day responsibility for \$200 million "quality food products" corporation. Company was established in 1979 with significant growth over the period. President and C.O.O. position was focused and positioned to expand the organization from its founder's expertise into a new era of growth and success.

**HMSI, Inc.** (Founder, Board member, President and C.O.O.)

Privately-held start-up corporation marketing state-of-the-art technology products on a world-wide basis (i.e.; optical scanner, protocol converter, high speed printers). Developed, from inception, strong marketing strategy and financial support to implement dynamic technology products into various market segments. Secured, as an investor, one of top financially successful families in country.

**Medi-4, Inc.** (Founder, Board member, President and C.O.O.) Privately held with exclusive marketing rights to state-of-the-art medical technology, developed by world leader in medical research.

**Troy Investments/Minneapolis Technology Center** (Partner and President)

Privately-held corporation serving as an incubator for over 70 small and start-up businesses, largest in the United States. Also positioned to provide various financial incentives and investments for clients to include start-up and seed monies.

**Children Are Forever** (Founder)

Between May 2, 1996 and July 15, 1996, personally ran 75 consecutive marathons in 75 days (1,918 miles) from Minneapolis to Atlanta to raise awareness and funds for single parent families and their children. Consummated at the opening of the '96 Olympic Games in Atlanta Georgia.

**Hitchcock Company** (Founder and President)

A for-profit management consulting firm guiding corporate clients on the issues of transition, leadership and change.

**Hitchcock Company assignments have included -**

- Determined the roles of CEO and COO to begin turnaround strategy for \$800 million corporation.
- Established strategic planning process, culture focus and key management development program for long-range planning for a \$150 million corporation.
- Developed and implemented a Key Executive Assessment and Development Program for more than 100 executives.
- Designed/implemented Strategic Planning process for four corporations
- Designed and implemented operational assessment and planning program defining profitability targets, corporate culture, management team needs, organizational structure, communications, technology and operating systems for \$200 million corporation.
- Developed marketing strategy to review distribution network and reduce expenses by \$5 million.
- Guided private medical company through IPO.
- Designed and implemented a personal development assessment plan for more than 250 key employees of three corporations.

**1982 - 1984**

**Data Card Corporation**

Minneapolis, Minnesota

Corporate/2,300 employees/\$176 million in revenue

World leader in plastic card embossing and encoding systems and services, MICR printers, electronic weighing machines, laser machining systems and other security driven technologies.

**Vice President and Chief Administrative Officer**

Reported to the Chairman of the Board. Served as Secretary to the Compensation Committee of the Board. Attended all Board meetings. Member of a "Committee of 4" (CEO, COO, CAO and CFO) responsible for all managing and direction of the business. Reviewed all divisional business plans, acquisition potentials, transfer or sharing of technologies, etc. Helped guide corporation from a loss position -- both market technology and revenue -- to real success story in performance and all other major measurements (i.e.; market penetration worldwide, technology, plan, productivity, etc.).

**1980 - 1982**

**CPT Corporation**

Eden Prairie, Minnesota

Corporate/1760 employees/\$175 million in revenue

A leader in office automation/manufacture of word processing systems. Serviced customers in over 600 cities in the United States and in more than 65 countries through a network of independent dealers, distributors and company owned branches.

**Vice President Administration**

Helped guide the company, moving it from being an entrepreneurial company to becoming a blend of an entrepreneurial and professionally managed corporation. Developed and grew the employee population over 70% reaching a revenue peak per employee of \$125,000. Helped grow revenues at an accelerated rate of over 60% per year.

**1979 - 1980**

**A.T. Kearney Management Consultants (Manager)**

**1977 - 1979**

**Leaseway Transportation Corporation**

Cleveland, Ohio

Corporate/20,000 employees/\$1 billion in revenue

**President of Leaseway Transportation House/Corporate VP HR**

Responsible for company-wide employee and administrative issues that included 193 divisions and subsidiaries, 780 labor contracts and over 325 operating locations.

**Other Experience** Responsible for creating and building consulting practice. Client's size ranged from \$100 million to over \$15 billion and included productivity improvement, work sampling, long-range planning, marketing studies and reorganization

**Professional Interests:** Wrote best selling book, American Business: The Last Hurrah? (Dow Jones-Irwin) on critical issues of this country to include productivity, regulations, education, social responsibility, women/people of color, energy and multi-nationals. Interviewed over 100 leaders of this country and other countries.

Past member, Executive Committee, International Trade Association  
 Past member, Minnesota High Tech Council (MHTC)  
 Past member, Board of Directors and Founder, Grandparent's Day (holiday)  
 Received Outstanding Young Man of America Award  
 Received Who's Who in Business and Industry Award  
 Past member, Advisory Board, Southern Management Journal  
 Guest Player, Milwaukee Open (Pro-Am)  
 Received Distinguished Medal of Merit from President Reagan  
 Past member, Minnesota Project Innovation for National Science Foundation  
 Guest Speaker for SBA on "Business Growth"  
 Guest Speaker, two-hour radio show, for "Business and Technical Innovation"  
 Nominated, 1991 International Temple Award for Creative Altruism  
 Chaired Humphrey Institute committee addressing leadership issues for the 90's  
 Past member, Board of Directors, Micro-Bio-Logics (Executive Committee)  
 Past member, Board of Directors, Cyborg, Inc.  
 Past member, Advisory Board, Performark, Inc.  
 Past member, Advisory Board, Steinwall, Inc.  
 Past member, Board of Directors, J&B Wholesale  
 Founder, past member Board of Directors, 2nd Generation  
 Past member, Board of Directors, Virtual Express Ltd.  
 Volunteer, Minnesota Children's Museum  
 Founder, Children Are Forever Foundation  
 Stephen Minister - various Twin City churches

**Industry Exposure:** **For example** - metal stamping and plating; word processing; plastics; die Casting; rubber; paint and building supplies; hospital administration; automotive; military weapons; industrial boilers; water purification; coffee, tea and citrus; soft drinks; alcoholic beverages; real estate; physical distribution; shipping; energy products; steel; low-end copiers; cash management; high security technology; service bureaus; high technologies in general; food processing; telecommunications; fiber optic; wholesale food distribution; virtual reality; and the Internet/World Wide Web.

**Education:** B.S. (Marketing/Finance) Bowling Green State University  
 M.B.A. Indiana (Northern) University  
 D.B.A. Indiana (Northern) University  
 J.D. Woodrow Wilson College of Law  
 Received two honorary doctorates - commencement speaker

Taught **Strategic Planning** (graduate level) at Saint Mary's College of Management and **International Marketing** at Augsburg College

**Military:** United States Air Force - Honorable Discharge

**Personal:** Widowed 3 children Excellent Health

## **75 Marathons in 75 Days**

### **A MegaMarathon: Moving Moments of Memorable Meetings**

#### **An Olympic Opportunity**

This is the story of an inspirational marathon man, Terry Hitchcock, running unbelievable marathons daily for 75 consecutive days, in support of those single parents and their kids for whom every day seems like a marathon to run. Terry ran to draw attention to the marathon days that are the plight of all children in our fast paced world, especially those children living in single parent families. The runner: an elder in both senses of the word (a person over 50; a person of wisdom and insight to teach the next generation). The purpose: to raise funds for the Children Are Forever Foundation. The result: an inspirational example to all people that if they set the right goals for the marathons of their lives, they too can attain the impossible: run the marathon of their dreams successfully.

The MegaMarathon of 75 marathons run on 75 consecutive days occurred in the spring and summer of the 1996 Olympiad. The difference is clear. The Olympics reflect an event that takes place every four years. The MegaMarathon of Terry Hitchcock reflects the unsung and heroic daily marathon of so many.

On May 2, 1996, Dr. Terry Hitchcock started out on one the most unbelievable ventures of his or anyone else's life. It was a daunting dream, a daring dream. No one had ever accomplished what he was about to attempt, to run over 27 miles each day for 75 consecutive days. A marathon each day. From St. Paul/Minneapolis, Minnesota to Atlanta, Georgia. An unheard of trek of 1918 miles. (The Guinness record was 3 consecutive marathons in 3 consecutive days). Running to raise awareness of the plight of single parent families and their kids. Over thirty five million people populate this group just in the United States alone.

Not that Terry is a runner. In fact, until May 2 when he left his home and entered onto the highway at 6:00 in the morning to begin his long journey, he had never run more than six miles at any one time. His training comprised the regimen of those training to climb the highest mountains. And there would be numerous personal mountains to climb along the way, because Terry had to raise the funds, coordinate those handling the various preparations and course details, injuries, and a heart attack.

He lifted weights, stretched until every bone and muscle in his body felt out of place and then do it again. He did short runs of 5 or 6 miles at a time. Because his right Achilles was sore most of the time and he had considerable trouble with his feet, running long distances while he trained was just out of the question. So the training itself became a metaphor for the race, for preparation and conditioning and overcoming the self, so that no longer would it be that just his spirit was willing, that his flesh would be strong as well. As his personal trainer phrased it, the preparation under these circumstances became Terry's highest mountain.

Terry's trainer, Scott Meier, was the best. He had to be. Terry was not 18 years old. Or, for that matter, was Terry in his 20's or 30's. Not even in his 40's. Terry Hitchcock was 56 when he began to train and 57 years old when he left his house for Atlanta on May 2, 1996. In the ordeal of training, he had experienced every ache and pain imaginable. He coughed up blood. He cried himself to sleep because of the muscle cramps that would not go away. He suffered a heart attack six months into his training



schedule. The heart attack revealed the true Terry Hitchcock. He did not complain. He was not even deterred. He made it another positive turning point in his life. It served to spur Terry's desire to help kids even further, as it served to harden his resolve to help single parent families.

As Terry laid in his hospital bed in intensive care, he told Dr. Lyle Swenson, his cardiologist, that he still wanted to fulfill his dream of running to Atlanta. Dr. Swenson was shocked and also amused. He could see that his patient was certainly dedicated to his dream. He decided to do all he could to help Terry and give him the advice he needed to return to training for his dream run. There was question that Terry's heart attack was serious. But tests taken after Terry's heart attacked showed that his attack was one which healing could be served best through exercise, even the kind that included long runs. Thus, his dream could be seen to be positive not only in terms of its vision but in terms of its physical healing. Terry was determined. The only question to him was not "whether" but "when," as in how close to his desired May start date could he come. He would let nothing stand in his way.

Terry agreed that he would keep in contact with all his doctors, Lyle Swenson, Douglas LiljaRoth and David Thorson along his trek so that they could monitor his progress and any complaints and problems that might arise.

Where does this story start? How does a 57-year old man even consider attempting such a feat? Terry's story really begins in 1984 when his wife Sue dies of breast cancer in her early 30's. Sue was the strength of the family and mother of their three children, Teri Sue, Chris and Jason Hitchcock. Their marriage was very happy and solid. Terry was an executive in business and worked long hours. Sue took care of the kids, the house, and almost everything else dealing with home.

This period was another kind of marathon, another kind of mountain to climb. Days after Sue's death, Terry lost his job. It was called corporate downsizing. For the next few years, Terry and his three young kids struggled to understand that life can sometimes have cruel turns. But Terry and his family worked through the bumps and the many hills and found each other. Sue had taught them how to hug, to say I love you and to communicate ... to be a family. For the next eight years, Terry and his children grew together and continued Sue's dream to be an example of a strong and spiritual family, full of God's Love and always believing that there is nothing you can't do if you believe in yourself.

Shortly after Sue's death, Terry woke up one night and wrote down on a piece of paper the words, **Children Are Forever**. He wasn't sure what it meant but it felt good. A few months later, he woke up during the night once again and this time was inspired to write down the definition of Children Are Forever: "You come into this world as a child, and you leave in a child-like manner." Terry knew that someday he would use these thoughts to make a difference. Little did he know that the difference would be so great.

For most of his formative years, Terry was raised by his grandparents, in North Troy, Vermont, a small town of about 400 people on the Canadian border. He was raised to appreciate friends and family, to give and not worry about receiving, to dream and believe that you can reach and hold onto whatever dream you have, to always know that God will be with you and to always stand up for what you believe in. Terry called how he was raised "a Vermont ethic". That is how all Vermonters are raised, to be strong and faithful, and to believe in one's self.



Running 1,918 miles from Minnesota to Georgia wasn't the first time Terry struck out to make a difference. In the mid 70's, he decided to write a book. Not just any book. This book was going to talk about the issues of the upcoming 80's and 90's. Terry wanted to more than just sit down with pen in hand and share his thoughts. He wanted to interview the leading minds of the time and get their opinions. Not only did Terry interview over 100 world leaders including Presidents, members of Congress, corporate officers of major organizations, and leaders of countries, his book, "American Business: The Last Hurrah?" was successful. It accomplished what Terry wanted. He got the attention of many to think about what they could do. What everyone could do to make a positive change to how we live, where we live, and for a more positive future for our children.

Since Sue's death, Terry's journey was a path of faith. He learned to be a real father. He learned to cook, to take care of three very young children. He had to struggle with depression, with financial hardship and the loneliness of being a single parent. But through his struggles, he grew. His family grew. God was certainly beside them and showing, not just Terry, but the entire family that He was there for them and that they would be all right.

In 1994, as Terry's children continued to grow, he knew they were old enough to participate in his dream. Teri Sue was now 21. Chris was 18, and Jason 16. Terry shared his dream of doing something to help the over 35 million kids and single parents like them with Teri Sue, Chris and Jason. They were very enthusiastic. Terry wasn't sure how he would try to make a difference but he knew that God would help him find that answer. His son Chris suggested that the family all run to California from Minnesota. Terry laughed, and rightly so. He was in his 50's and had run in only one or two 10K's, always coming in last. But the more he thought about running a long distance, the more intrigued he became. Terry remembered Terry Fox and his attempt to run across Canada with one leg. Terry Fox's feat had always been etched in Terry's mind and he remembered reading the paper each night and following Terry Fox's attempt to cross Canada. Terry Fox had lost his leg to cancer and at age 19 was attempting to do the impossible. Although Terry Fox never completed his valiant trek and died shortly after leaving the Canadian highway, his passion for contributing to cancer research and helping kids especially, was something that Terry Hitchcock never forgot. He knew that he wanted to raise the awareness of everyone as to the plight of kids and talk just wasn't going to accomplish it. Terry knew that he needed to share his passion for kids and that God would help him through the difficult times as He had in the past.

With Teri Sue, Chris and Jason providing Terry with their love and support, and Terry's friends being there for him as he struggled each day with his arduous training schedule and work schedule, Terry put his body into the shape that only a twenty year old would appreciate. Not that the body would look like that of a twenty year old, but the blood pressure and heart beat marveled that of a twenty-year-old (another reminder to all of us that beauty is truly only skin deep).

On May 1, 1996, Terry and his kids received a wonderful welcome and send off from the Minnesota Twins. Before the Twins game with Kansas City, Terry and his family and their dog Charlie ran around the outfield to the applause of thousands of Twins fans. Terry threw out the first pitch and special kids who had provided music and loving support for Terry during his training sang the national anthem as well as a special song they dedicated for Terry. Bev Asher wrote special poetry to tell about the importance of children. Terry's good friend, Gene Larkin, the World Series Hero of 1991, was also there. Gene had provided some special spiritual focus for Terry when his training was

tough and seemingly never ending. It was a wonderful and very special night. The next day Terry would leave the warmth of his home and attempt to travel the highways toward Atlanta, almost 2,000 miles away.

The true marvel of that evening is the very special spirit many note in upper mid-Westerners. Just think of it. For a whole city to back Terry, for a favorite team to give him this time and exposure, showed not only how compelling Terry's message was about the plight of single parents and their kids, but how compelling and trustworthy Terry is as a man and human being. Think of the trust that was offered to Terry by the Twin Cities. He carried that trust all the way to Atlanta. To Terry Hitchcock, trust is everything. What happened is what some call synergy. Others call inspiration. Whatever it was, Terry inspired this great twin city community of the upper mid-west and they in turn returned the inspiration. He energized them and they in turn gave energy back, energy which would be part of the fuel that compelled him to complete this dazzling and daring feat.

At six the next morning, a crowd of friends gathered outside Terry's home to wish him much success and to provide the hugs he would need as he ventured south. The mayor of St. Paul was on hand to proclaim "Terry Hitchcock and Children Are Forever Day" and the media was on hand to share in this special moment. It was a cold morning and Terry and his first mile running partners, friends and supporters who helped support him in so many ways, were all bundled up. These friends and supporters included John Williams of WCCO, Dr. Douglas LilgaRoth, J. Marie Fieger, Perry Williams, Greg Dittrich, and Zak Manuszak. They were there to run the first mile with Terry and to provide support for his first day on the highway.

Terry's road team was also there. Terry and his dog Charlie would do the run, while his sons Chris and Jason and other young adults, all from single parent families, would serve as advance men and handle the logistics of the run. They carried all their supplies and food in a trailer, a truck and two cars.

On May 2, Terry and his trainer would run 31 miles. It was cold, raining and the traffic didn't seem to want to share the highway with them. During the entire month of May, the weather would never get above 55 degrees and each day it would rain and be very windy. Terry changed his clothes at least 5 or 6 times each day. Many times during the month of May Terry would question why he was attempting such a feat. Sometimes it just didn't make sense. Then he sensed the energy from the twin cities and from all those single parent families and kids, and he pressed on.

At the end of the month of May, Terry and his support team were exhausted. The cold rain and strong winds had taken its toll. Each member of the support team was tired and cold. The trailer didn't work well. The hot water wasn't hot. The heat didn't work. Nothing seemed to work. To find a place to park the trailer each night was a major undertaking. People stole things out of the truck and cars. Brakes on the cars went bad. It seemed that some version of Murphy's law was at work, that if something could go bad, it did.

In the midst of all of this chaos, his team never lost sight of the fact that it was extremely important to feed Terry on a precise schedule. His life depended on it. Terry was scheduled to eat every 40 minutes and to drink at least every 20 minutes. His food was special, as was what he drank. To run 2,000 miles, Terry couldn't just drink water. In fact, water wouldn't get him there. Terry's liquid was a mixture of various ingredients. Terry took heavy doses of vitamins, horse pill size Amino Acid and the list went on. Terry was told by Dr. LilgaRoth that his life would be on the line each day, every

moment and he must be in tune with what his body asks for at all times. He told Terry that he could not wait to feel thirsty to drink. The balance was too precarious for that. To succeed he has to be proactive and think and act preventively if his health was to hold up and he was to heal properly after each day's exertion. Should he wait until he felt thirsty, then his body was now over the edge and he would need medical attention immediately. Terry never forgot that warning. It was a warning that would save his life.

Each day, Terry burned more than 6,000 calories. Chris would drive the pace car and monitor his dad's needs and symptoms. Chris would drive about two or three miles ahead of his dad and check out the condition of the highway, making certain that there was room for his Dad to run, and to see what towns and cities were in front of his dad. Terry would usually catch up to Chris about every 20 minutes and Chris would feed his dad and give him ice packs for his knees and other aches and pains. The other team members had their own jobs. Jason was responsible for the important inventory, how many changes of clothes, towels, food, ice packs and medical supplies do we have and how much will be needed each day. He had a very important job.

Terry's dog, Charlie, a white boxer, was there because he trained with Terry for the past 17 months. Charlie loved to run and would be seen training with Terry, leash in his mouth, and pulling Terry up and down the hills. Charlie was there to support Terry and provide additional hugs.

At the end of May, it was decided that the team would return back home. It had been very difficult on everyone, including Charlie. Not that anyone wanted to return home, but the dampness, the daily struggles, just became too much for everyone. Not only could Charlie not go on, the truck and one of the cars could not go on. On June 1, the trailer, truck and one of two cars, with Charlie and all the team members except Chris left Terry by the side of the highway and made their way back to the Twin Cities. No one wanted to go, but they had to. There was still plenty of work and support to be done back home to make certain Terry makes it to Atlanta, so all would still be busy.

Terry and his son Chris continued on together spending the next seven weeks struggling to put one foot in front of the other.

On June 1, the sun shone for the first time in a month. That morning, with the team now heading back to the Twin Cities, Chris and his dad sat in the front seat of their '88 Olds with 221,000 miles. The back seat was stacked with supplies as was the trunk. They both wondered where they would sleep and how Terry was now going to eat properly and have the nourishment and support he would need to make it through each day. As they looked at their plight, they looked at this stuffed car, at each other, at the road ahead, and then broke out in redemptive laughter. Terry realized why so many beat great odds. They laugh with God rather than get angry at Him.

It was moments like this that proved to Terry why it all mattered, why it was meaningful to go on, what it meant to be more than a father, to also be a dad, and why the generations need each other and can feed so positively on each other. Chris assured his dad that they would do just fine and that God would be there as He always had been, and that what was important was not what was happening to them but how they handled it. In this moment Terry's heart swelled with pride, to hear the lessons he and Sue had so carefully nurtured in their children come back as inspiration and motivation at a time, unlike any other, when such inspiration and motivation was needed.



Back home, his team and other supporters carried on a variety of fund raisers to raise the money needed for the run, which would then be driven or wired to them so they could continue and be able to meet their expenses as they went.

Terry struck off doing his 27 miles and completed this day's trek sunburned for the first time and wanting desperately to rest. Chris had gone to nearby stores and bought supplies so that Terry would receive his liquid and food promptly and on schedule. To be able to rest was a different matter. They no longer had a trailer or even a back seat to lay down on. Terry could only sit up straight in the front seat and the air conditioning in the car wasn't working very well. After Terry had completed the day's run, Chris suggested that they drive back to a Holiday Inn they passed by earlier in the day and ask for help. Terry agreed. By this time, Terry could only focus on the highway and what he had to get through. To make decisions as to where to stay or where to buy food was a major undertaking for Terry that was beyond him now. Like an Army on the advance, he had to rely on Chris for his logistics and support. Terry had to keep his focus and strength. Chris rose to meet this very important occasion in his dad's life. Terry might be the man of the marathon run, but Chris was very definitely the man of the hour.

The Innkeeper at the Holiday Inn listened to Terry's story and provided a room and breakfast for both at no cost. The Innkeeper then wrote a letter for them to show other Holiday Inns as they continued. From that point on, each day after Terry finished his daily marathon, Chris and his dad would drive back to a hotel that they had passed earlier and show the letter and tell their story. Each night, they would find shelter at Holiday Inn, at no charge.

Dr. LilgaRoth had shared with Terry before he left that there was a second wall that runners talked about but few had experienced. Terry knew about the wall that a runner meets at about 20 miles during a single marathon, but no one really knew much about the second wall. Terry wondered as he ran each day what the second wall was, whether he would hit it, and what he would experience when he did. He would find out soon.

Shortly after entering the State of Kentucky, Terry experienced some interesting adventures. While running down a highway one beautiful day, he came across a bear. A big bear. The bear was just coming out of the woods and making all sorts of noises, breaking off small branches as he came. Terry was startled and began to run as fast as he could down the highway. The highway was a wooded area with no traffic at that moment. The bear was also startled and as bears have poor eye sight but a great sense of smell and hearing, took off running too. For over 300 feet, Terry and the bear ran side by side. The bear made all sorts of strange noises. To Terry, the 300 feet seemed like forever. Terry was huffing and puffing and wanting it to be over. Finally, the bear veered off to the left and back into the woods. Terry stopped, visibly shaken and then, again redeemed by the humor of it all, started to laugh at what this moment must have looked like.

Later that week, Terry's feet were bothering him so Chris suggested that they visit the Paduka, Kentucky hospital and have someone look at his legs. In the emergency room the doctor took x-rays of Terry's feet and asked that they look at the pictures together. The doctor, in a very serious tone, showed Terry a fracture on each ankle and strongly suggested that Terry rest, keep both ankles in an upright position and do this for 10 days. He had no idea what Terry had been through so far. Terry thanked the doctor and left the hospital to continue his journey.

The sharp and almost indescribable pain that Terry experienced the first 10 days had now somewhat gone. In its place was some pain but mostly a dull ache. The body was continuing to meet Terry's needs and was masking the damage he was putting on his body daily and was trying to heal itself as best it could. The only healing that Terry's body was not able to accomplish to any degree was the emotional toll that Terry and Chris were experiencing. The Second Wall was soon to make itself known.

The next day, after spending time in the hospital and seeing the x-rays of his damaged feet, Terry experienced sharp chest pain and found himself in intensive care for the night. Terry made a deal with the doctors that unless they found something that was life threatening that he was going to leave by 9:00 the next morning. True to his word, Terry was discharged at 9:00 and continued his journey.

The media became Terry and Chris's best friend. Each day, someone from the media met them and gave them hugs by believing in them through their questions. Chris was now answering questions from the media and grew up even more, much to his dad's delight, as he could be there to witness it in person rather than hearing about it later after the fact. The media, whether it was television, radio, or print, followed them everywhere.

Terry stopped in every town or city he came to. He spoke on each Sunday in whatever church would have him. He talked with students in classrooms, from 5 year olds to college students. Everyone wanted to ask them questions, to better understand why someone would do this for them. Kids waited by the road for Terry to run by. As each day came, the number of people waiting for Chris and Terry to arrive grew. Some kids ran along side of Terry. Running clubs all along the run route joined in for a short distances.

One day, on a television interview along the side of a busy highway, Terry was asked the question, If the President of the United States were here, what would you say to him? Terry replied, "Mr. President, are our children the future of this country? If so, then why don't we have a Secretary of Children?" That comment hit the front pages of newspapers for the entire next week. Terry really believes that someday, we will have a Secretary of Children. Why not? We must!

There are many special stories that are part of Terry's MegaMarathon. In Iowa, Terry was running down a rural road one day and came upon a family that was obviously waiting for him to arrive. He stopped as he approached the family, a father, mother, young daughter and young son. They talked. Terry shared his experiences that day and they all hugged and wished Terry good luck. The little girl gave Terry a very special gift before he left them to continue on the highway. She gave Terry a ticket stub from the May 1 Twins game that she and her family had attended. On it she had written, "Don't give up. You're doing it for all us kids."

Another favorite story of Terry's is about an early morning run in Georgia. Again, running down a deserted highway, Terry noticed a man in his 60's with bib overalls retrieving his mail at the end of his driveway. He looked up, noticed Terry running toward him, put his mail back in the mailbox and waited for Terry to arrive. When Terry was close enough, he motioned for Terry to stop. He introduced himself and told Terry the story of his wife dying two years ago and his not coming out of his house and just not caring about anything in life anymore. He said that he had read Terry's story in the newspaper the night before and wanted to make sure he met Terry. He told Terry that now that he had met him, he was going to live again and that he wanted to thank him for giving him a heart beat again. It was the hundreds of stories like these that added to



the energy of the Twin Cities, helping to enable Chris and Terry to stay focused, to take step after step day after day.

On Fathers Day, Terry would hit the second wall. A few days later, Chris would hit the wall as well.

On Fathers Day, Terry was running down a highway in the bright sunlight and warm breezes. Suddenly, he started to cry, to sob uncontrollably. He wasn't in pain. He was running well and feeling pretty good. Now he was crying by the side of the road and had no idea why. He had hit the wall. From that point on until he ran into Atlanta on July 15, he would be emotionally sliding into a black abyss. A depression. Loneliness. Indeed, the loneliness was becoming all consuming. Chris would soon have similar feelings. Each night Chris would go right to bed as soon as a hotel room was found. Terry would hide in a movie theater or soak in the hotel's pool. The last four weeks were terrible for both of them. They asked for hugs but didn't know why. Neither did their friends. But now it was clear. The loneliness was real and the highways were not friendly. The "romance" of the run had long since departed them. Cars and trucks came close to Terry as he dodged and worked his way through traffic. Twice, drivers tried to hit Terry. A pickup truck in Iowa chased Terry on the shoulder of the road and came within a fraction of an inch of hitting Terry, missing him because Terry was able to dive into a ditch. The police said that some people just don't like joggers.

On July 15, Terry and Chris ran through the downtown of Atlanta, Georgia and into Centennial Park. The 1996 Olympic Games were to start in a couple of days and the Mayor of Atlanta and other dignitaries met Terry and Chris and congratulated them for their Olympic effort.

Terry and Chris arrived home to a big welcome from friends and supporters at the airport late on July 15.

Chris got well much quicker than his dad. Terry entered the hospital soon after he arrived back home and spent six weeks there. It wasn't until the end of 1996 that Terry was on his way back to good health.

Terry's passion continues to be kids and how he can somehow help them. On February 1st of 1997, he met Carl George and Mike Blake from a company called RB&G. Terry shared his passion for helping children and wanting to give back in a meaningful way. Terry was offered the opportunity to continue his dream, his passion. He became President of EdView, Inc., a part of the RB&G family of companies. EdView's technology protects kids from the bad sites on the Internet. It is the only product that is foolproof on the market today. But EdView is more than just "safe." It is also "smart." Trained educators have evaluated thousands of sites and have identified the best and arranged them by subject within the divisions of elementary, middle and high school.

EdView is a boon not only to education and educators in general, it is a boon to students and, especially, to students in single parent families. Children of single parents have a tougher time dealing with both the motivation and the techniques of climbing the ladder of mobility. They often become like the children of the wagon trains of the 19th century: struggle, survival, surmounting long odds, maintaining the staying power of perseverance and being able to succeed.

Terry shares his story and excitement of EdView with all the schools and families he visits and speaks to each week.

Terry's story is a wonderful story of goal setting, perseverance, and climbing the mountain of success. Listening to Terry as he shares his hundreds of stories from his run is a rewarding and dynamic experience, whether he is in front of classrooms, business executives or in mixed audiences. He is THE Pied Piper of Kids everywhere.

He did the impossible. But he made it possible, because he believed he could. The readers can also achieve their goals by developing a vision, establishing goals to meet that vision, and then persevering through to the completion of the project, the success of the venture.

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