

PRESCRIPTION FOR PROSPERITY

The **Minnesota Policy Blueprint** will outline policy recommendations that will enable all Minnesotans to thrive in their personal and financial pursuits

Many Minnesotans were dismayed and disappointed by the legislature's hasty – and almost surreal – retreat to the liberal policies of the '60s.

- Instead of innovating ways to deliver more value to Minnesota taxpayers, lawmakers addressed a \$600 million budget deficit in 2013 by raising taxes \$2.1 billion.
- Instead of making the education system more accountable and accessible to parents and students, lawmakers chose policies that favored unions.
- And instead of identifying how to better connect people with solid well-paying jobs, lawmakers upped the minimum wage.

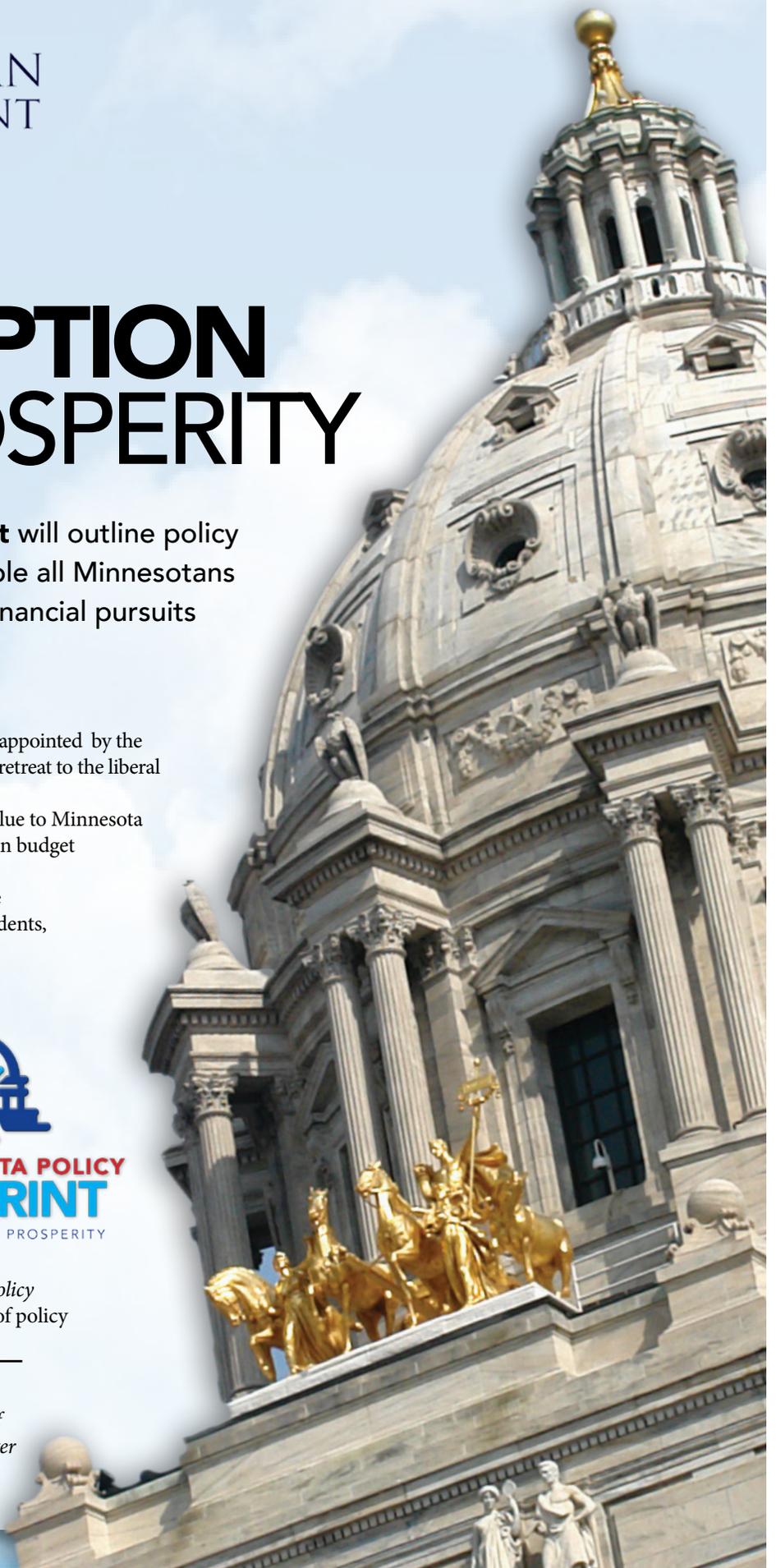
Those attitudes will persist until a strong alternative policy vision captures the hearts and minds of the citizens of Minnesota.

Which is why we're creating *The Minnesota Policy Blueprint: Prescription for Prosperity*, a package of policy



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This document is based on remarks about the Blueprint delivered by Chuck Spevacek, member of the board of directors and a past chairman of Center of the American Experiment.



recommendations that will enable *all* Minnesotans to thrive in their personal and financial pursuits. We've identified 10 areas where we think that thoughtful, common-sense policy proposals can help put Minnesota back on a path to achieve its full potential.

These will not be traditional "academic" white papers. They will not merely "admire" problems; they will appeal to broad public sensibilities and drive practical, deliverable policy solutions.

We'll release these proposals individually by topic over this summer and fall. In December, we'll publish a book that combines all our proposals – and we'll personally circulate the book to legislators, staff, and to members of the Administration. And finally, by January 2015, the staff at the Center will help draft our recommendations into legislation – and help build the coalitions necessary to get them passed.

A Culture Of Prosperity

Our proposals will represent a *comprehensive* and *thematically consistent* first step toward building a culture of prosperity in Minnesota.

What do we mean by a culture of prosperity?

To us, prosperity includes a whole array of benefits that help Minnesotans achieve a rich and fulfilling life. Economic success is only part of it.

- It means enabling *all* Minnesotans to raise their families in a safe, healthy and fulfilling environment.
- It means creating opportunities and incentives for self-actualization and personal enrichment.
- It means hard work, personal responsibility and individual initiative.
- And it means access to jobs – *well-paying* jobs.

We want to emphasize this: If there is single concept that drives the *Blueprint*, it is the creation of high quality jobs. Quality jobs are the foundation that sustains our culture and our economy.

Someone once said, "Work is the elixir of life."

We've also heard it said that the best housing policy is a job, ...
... the best education policy is a job,
... the best healthcare policy is a job,
... and the best family policy is a job.

We agree.

And our emphasis will be on *quality* jobs. If people are forced to work ungodly hours at multiple jobs with low pay and no benefits, and no time for their families, we *aren't* creating a culture of prosperity.

This is not about business or corporate profits. It is about jobs – high quality jobs.

The Policy Pillars of Prosperity

With that in mind, our policy recommendations will emphasize **opportunity**, **value in government**, **innovation** and a full appreciation of the job-creating power of **entrepreneurs**.

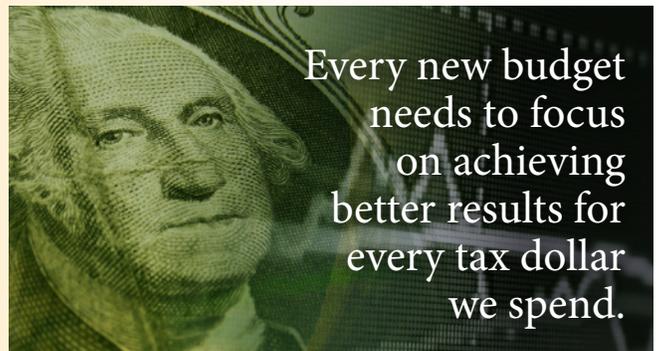


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ISSUES MATTER

The Policy Blueprint will cover 10 policy areas

JOBS: *Fueling the job-creating engine of Minnesota's economy.* Minnesota's regulations, public programs and tax system need to work *with* employers to maximize job opportunities. Too often Minnesota's workers and job creators are held back by over-prescriptive labor rules or onerous environmental regulations that do nothing to actually protect the environment. Authors: **Jay Novak**, senior vice president, Aethlon Capital, former DEED Commissioner for the State of Minnesota and editor/publisher of Twin Cities Business. **Ted Risdall**, chairman/CEO, Risdall Marketing Group, and **John Gaylord**, consultant, high technology strategies and marketing.



EDUCATION: *Educating Minnesota students for tomorrow's jobs.* Minnesota's students are not being adequately prepared for 21st century jobs. All Minnesota students deserve the opportunity to choose an education that will put those jobs within their reach. Author: **Mitch Pearlstein**, founder and president of Center of the American Experiment.

BUDGET: *Delivering higher value to taxpayers.* Our state budget should be determined by the priorities of its citizens. Yet that's not the way it works. Every new budget needs to focus on achieving better results for every tax dollar we spend. Authors: **Peter Nelson**, director of public

policy, Center of the American Experiment: **King Banaian**, professor, St. Cloud State University; senior fellow, Center of the American Experiment.

TAXES: *Aligning taxes with economic growth.* High quality government services depend on an adequate amount of tax revenue for funding. But *how* Minnesota raises that tax revenue greatly impacts incentives to work and to invest in this state. Minnesota needs a taxation model that reflects today's economic realities and positions Minnesota for growth. Authors: **Michael Vekich**, chairman, HF Financial Corp., and past chair of the Governor's 21st Century Tax Reform Commission; **John Spry**, associate professor of business economics, University of St. Thomas.



PENSIONS: *Securing retirement benefits for current and future public employees.* Minnesota's defined benefit pension system is no longer financially sustainable. That puts both public employee retirement funds and taxpayers at serious risk. We need to keep our promise to retirees while redesigning how public employees save for a secure retirement. Author: **Kim Crockett**, COO/EVP, Center of the American Experiment.

HEALTHCARE: *Promoting affordable, high quality health care.* Minnesotans expect and receive high quality and innovation from our health care system. But that system suffers from serious problems, and Obamacare is only making it worse. Minnesota must embrace the power of the free market to tackle the rising cost of health care, and it must empower consumers to be more involved in their health care choices, not disenfranchise them. Author: **Peter Nelson**, director of public policy, Center of the American Experiment.

FAMILIES: *Strengthening families by strengthening marriage.* Family fragmentation rates in the United States maybe the highest in the industrial world. And while the situation is less severe in Minnesota, an enormous number of people in our state are being hurt, their careers stymied, and our economy shortchanged by this phenomenon. We will recommend what government can appropriately do alongside churches, charities, and the rest of civil society to address this issue. Author: **Mitch Pearlstein**, founder and president of Center of the American Experiment.

ENERGY: *Supplying competitive energy rates.* For nearly three decades, Minnesota businesses and families have enjoyed comparably low energy rates, all while protecting the environment for future generations. Today that advantage is slipping because the state no longer prioritizes affordable energy rates. It's time to bring back a balanced approach. Author: **Bill Glahn**, senior policy fellow, Center of the American Experiment, founder Piedmont Consulting, and former director of the Minnesota Office of Energy Security.

TRANSPORTATION: *Moving people and commerce where they want and need to go.* Minnesotans want a transportation system that gets them to their destinations quickly and at a reasonable cost. Nearly everyone relies on a car. We need to prioritize our transportation dollars to make sure people can use their cars and get where they want to go – their jobs, their games, and their recreation – as quickly and as safely as possible. Authors: **Fritz Knaak**, partner, Holstad & Knaak, and former Minnesota state senator; **Amy Roberts**, attorney and policy analyst, the Connolly Kuhl Group.

MET COUNCIL: *Planning for growth in the entire Twin Cities region.* The Met Council is the Twin Cities regional government created in the 1960s with the sensible purpose of helping plan and coordinate regional infrastructure. However, the mission of the Met Council has crept into re-engineering society on the basis of "equity" and "sustainability." And, in the process, power has shifted away from local elected officials. Minnesota needs to plan for the future, but planning should respect the authority of elected officials, reflect citizens' life style preferences and expand the economic competitiveness of the region. Authors: **Katherine Kersten**, writer and attorney, senior fellow, Center of the American Experiment; **Kim Crockett**, COO/EVP, Center of the American Experiment.

Create Opportunity: The liberal obsession with *equality of outcomes* is short sighted and counterproductive. We believe in *equality of opportunity*. None of us are promised an equal outcome; we are only promised equal opportunity.

At the end of the day, a minimum wage worker who makes \$10 per hour instead of \$7 per hour is *still* making the minimum wage. We haven't increased their job skills or created an environment of increased opportunities to help them move up. Forward-looking economic policies should stop fretting about redistributing individual slices of Minnesota's economic pie. They should focus on making the pie bigger.

Value in Government: There are extremely important functions of our culture that can't be performed well by anyone else. And government plays a crucial role in enabling and supporting economic growth.

But, we need a government that knows its boundaries and that strives to bring tangible value in everything it does. And that government must recognize: Excessive taxation and regulation *always* stifle prosperity.

Innovation: Minnesotans are intelligent, caring, hardworking, honest, and responsible.

We should leverage those strengths to address our common problems and exploit our common opportunities.

The good jobs of today and tomorrow will come from new ideas, new knowledge, and new technologies.

If Minnesota were a country, our GDP would rank around 40th in the world. Policy makers need to view our economy by world standards ... we need to compete for the global economic pie ... for its innovators, for its companies, and for its talented employees.

Respect the Job Creators: The creation of *private-sector* jobs is *always* the foundation of a *growing* and prosperous society.

We enable our job creators by providing available talent, a jobs-friendly regulatory environment, and a high-functioning infrastructure.

But the sad reality today is that Minnesota is no longer viewed as



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a particularly job-friendly state. Businesses are leaving and our number of start-ups is far lower than it should be.

Minnesota has everything we need to be a top-notch hub of innovation and to attract talent from around the world.

Making the right choices now will ensure that Minnesota achieves its potential to be a global leader.

A Time for Leadership

It's no accident that the release of our policy recommendations coincides with the launch of Minnesota's campaign season. Center of the American Experiment is not a partisan organization and never will be.

But we do recognize campaign season is a time when voters pay closest attention to what government does and what their leaders stand for.

It is the best time to talk about policy.

We also understand that many Minnesota voters believe that political campaigns should place more emphasis on public policy. We're hopeful that our Prosperity Agenda will help fill that need.

Issues are important.

We live here. We raise our families here. We want to see policies to enable the State to achieve its full potential. Because when it does, the citizens of Minnesota will get an opportunity to achieve their full potential – economically, socially, and across all aspects of the spectrum of what constitutes prosperity.

Minnesota has long been an economic powerhouse. The foundations of our success have been powered by our diverse economy, our location at a crossroads of commerce, our civic engagement and our industrious, entrepreneurial, and well-educated workforce.

But we can never assume that past economic success will guarantee future performance.

Minnesota faces new challenges: increasing global competition, aging demographics, declining education outcomes and weakening families. No one is suggesting Minnesota is no longer a state that works, but Minnesota needs certain course corrections to meet and overcome future challenges.

The *Minnesota Policy Blueprint* will help engineer a comprehensive package of ideas to steer us back toward the economic, personal and cultural prosperity all Minnesotans want to pass on to the next generation.

We think we're going to make a difference.



I support the Blueprint! Here is my **tax-deductible** gift of:

\$750 \$500 \$250 \$100 Other \$ _____

Name: _____

Address: _____

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Enclosed is a check payable to American Experiment

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