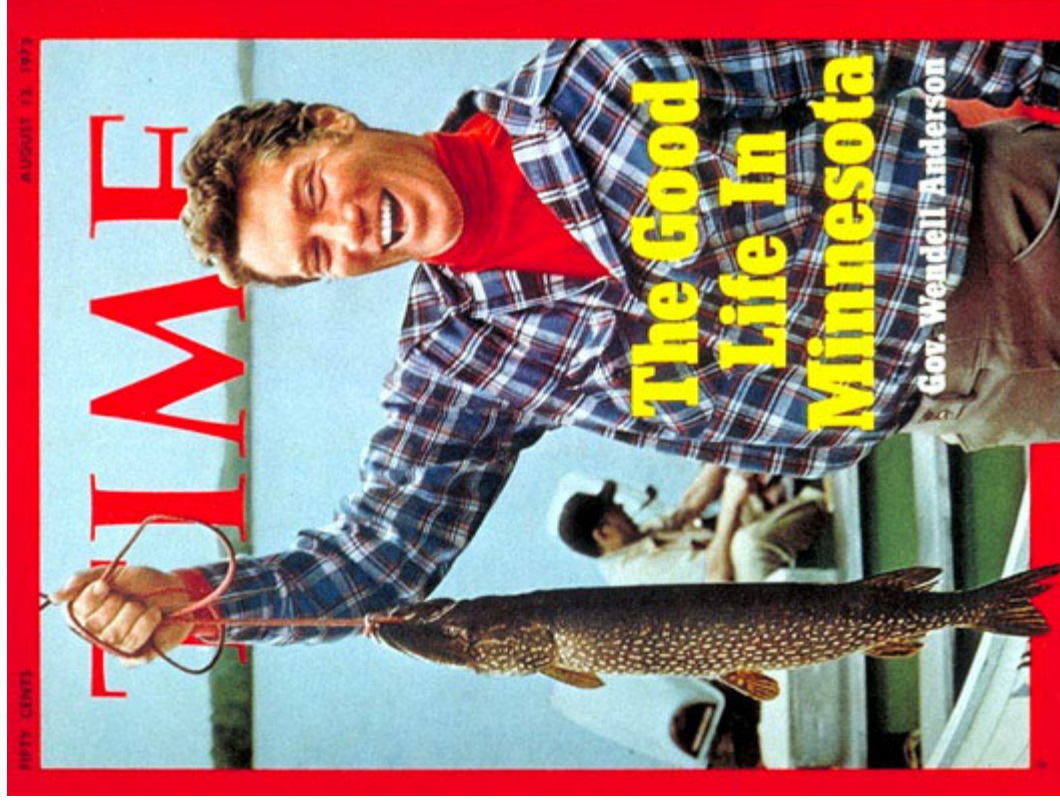


# Reality & Opportunity for Minnesota

**Put the 1970s in the Rear View  
Mirror... Embrace the World Economy**

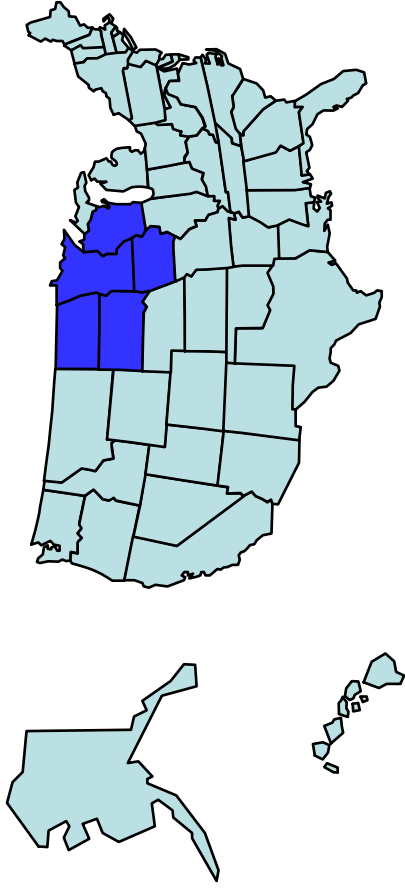


# 1970s vs Today: It's a Different World

	1970s	Today
Competition	Regional	Global

# Where does major competition come from?

1970s



Today



# 1970s vs Today: It's a Different World

	1970s	Today
Competition	Regional	Global
Top Business Leaders	Strong Local Ties	Mobile

# WHERE ARE THEY NOW?

## (MN's Largest HQ Companies, 1978)

- **Cargill**
- **3M**
- **Honeywell**
- **Supervalu**
- **Dayton Hudson**
- **Burlington Northern**
- **Land O'Lakes**
- **Control Data**
- **Pillsbury**
- **Gamble Skogmo**
- **Hormel**
- **Grain Terminal Association**
- **Northwest Airlines**
- **Carlson Companies**
- **First Bank System**
- **Northwest Banco**
- **St. Paul Companies**
- **IDS**
- **Northern States Power**
- **Twin City Federal**

# TODAY'S LARGEST HQ'S

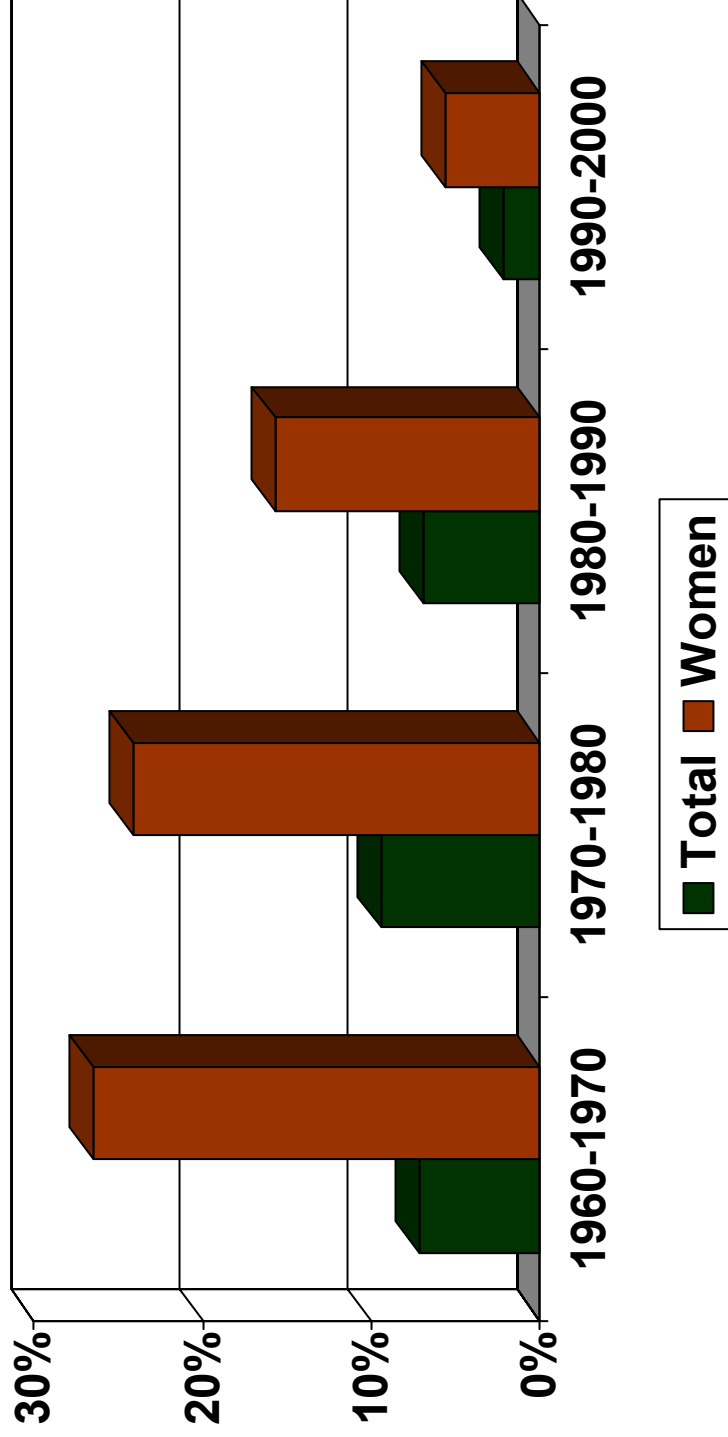
## (Top 25 -- By Revenues, 2008)

- **Cargill**
- **UnitedHealth Group**
- **Target**
- **Supervalu**
- **Best Buy**
- **CHS Inc.**
- **3M**
- **U.S. Bank**
- **Medtronic**
- **General Mills**
- **Mosaic**
- **Land O'Lakes**
- **Xcel Energy**
- **C.H. Robinson Worldwide**
- **Ameriprise Financial**
- **Thrivent Financial**
- **Hormel**
- **Ecolab Inc.**
- **Nash Finch**
- **Alliant Techsystems**
- **St. Jude Medical**
- **Carlson Companies**
- **Valspar**
- **Pentair Inc.**
- **Schwan Food Company**

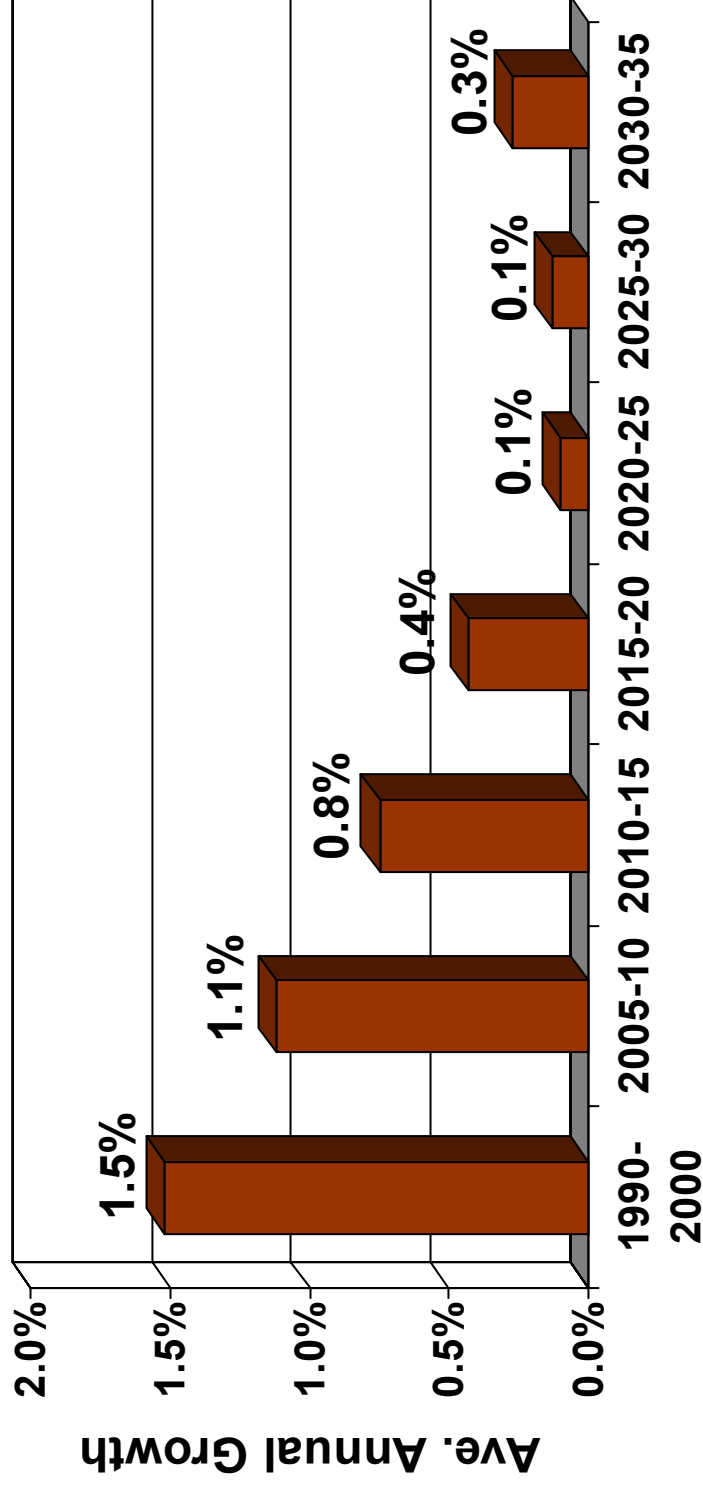
# 1970s vs Today: It's a Different World

	1970s	Today
Competition	Regional	Global
Top Business Leaders	Strong Local Ties	Mobile
Workforce	Growing Rapidly	Growing Slowly

# Change in Labor Force Participation Rate



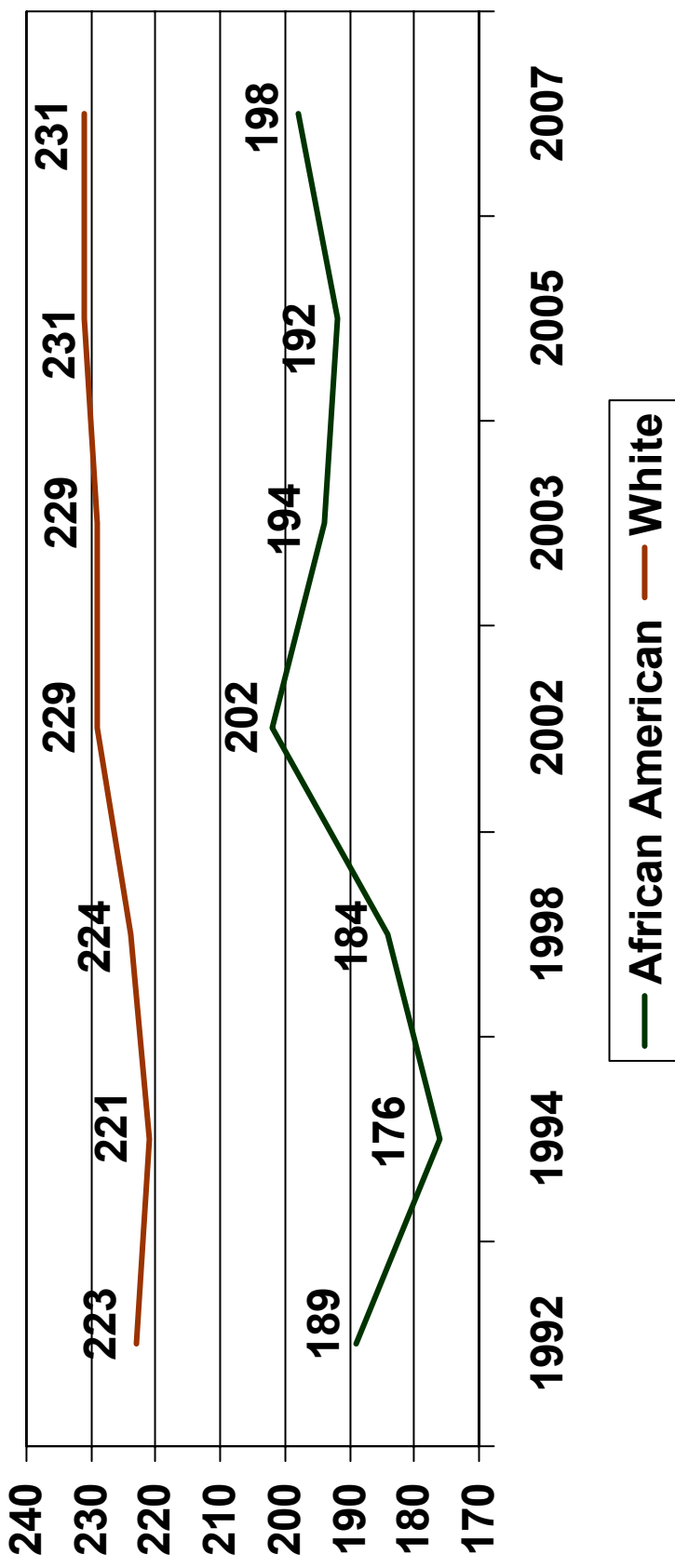
# Workforce Growth



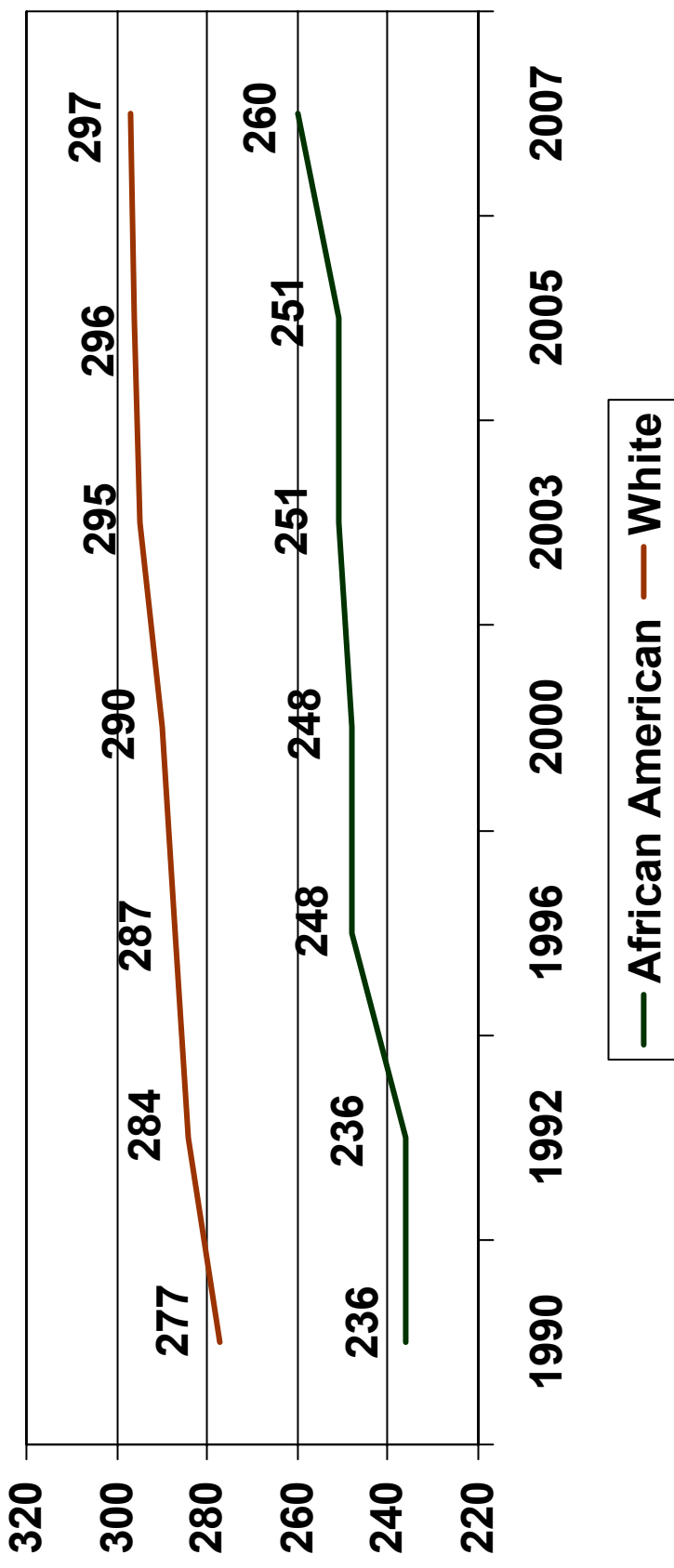
# 1970s vs Today: It's a Different World

	1970s	Today
Competition	Regional	Global
Top Business Leaders	Strong Local Ties	Mobile
Workforce	Growing Rapidly	Growing Slowly
Education	Strength	Achievement Gap

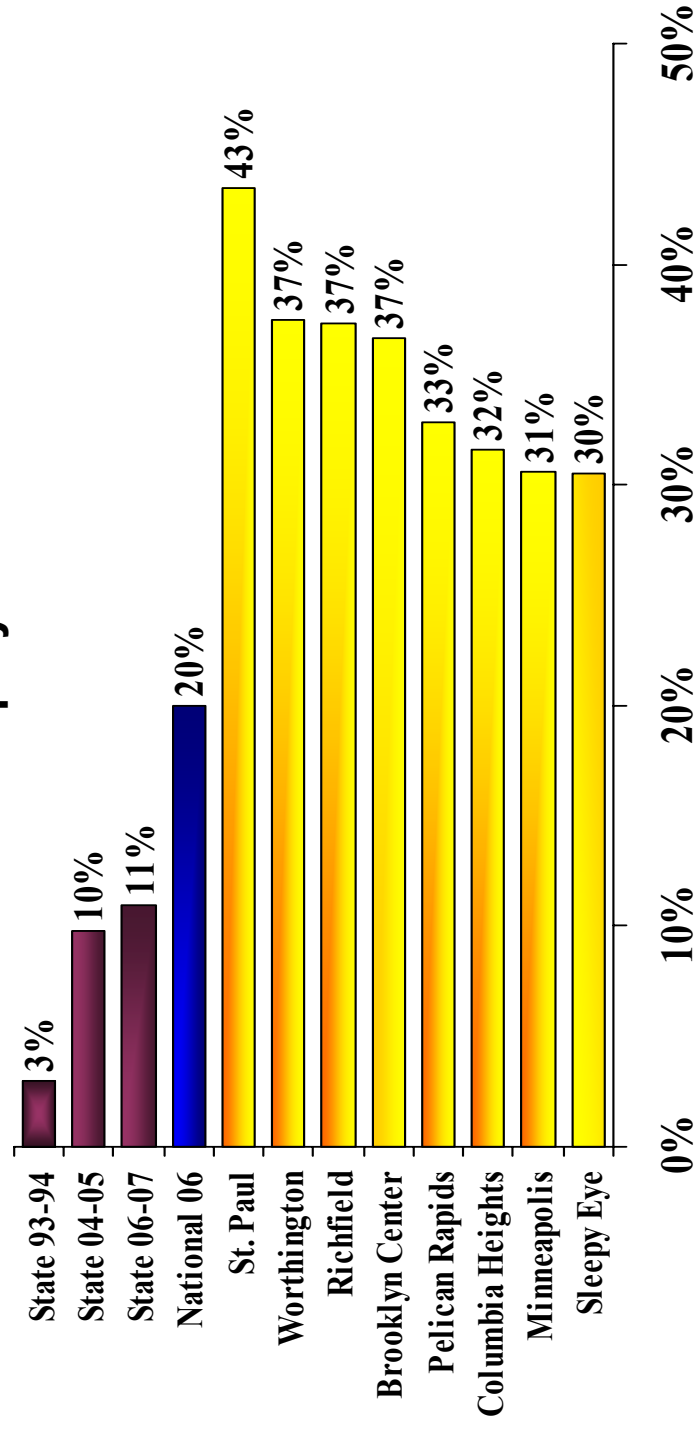
# NAEP 4<sup>th</sup> Grade Reading Scores



# NAEP 8th Grade Math Scores



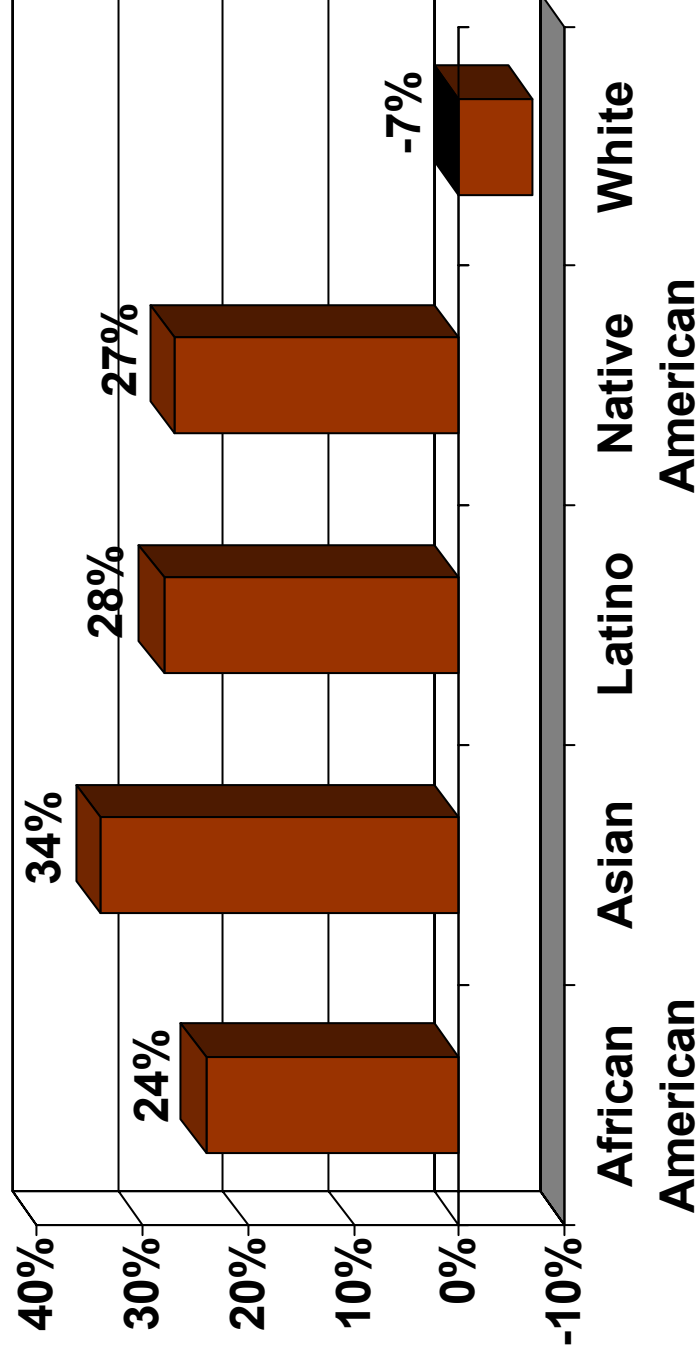
## Students Speaking Non-English Language At Home: Much Of The Growth In ESL Enrollment Is Directly Related To Growth In Local Employment



**Percent of Students in 2006-07**

Source: MN Dept of Education data, Districts of more than 100 enrollment.  
47 specific non-English Languages are represented in central Minnesota schools

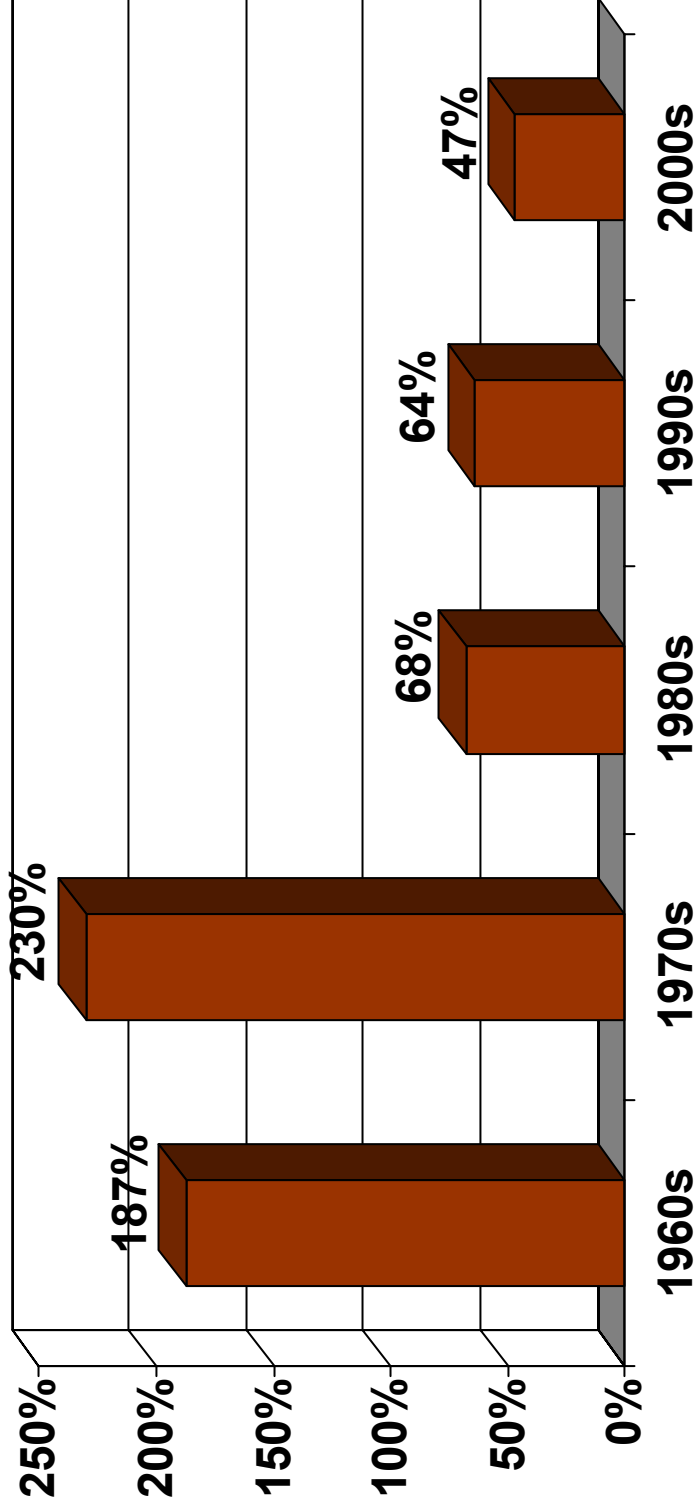
# Projected MN Population Change Ages 5 – 24 from 2006 to 2020



# 1970s vs Today: It's a Different World

	1970s	Today
<b>Competition</b>	Regional	Global
<b>Top Business Leaders</b>	Strong Local Ties	Mobile
<b>Workforce</b>	Growing Rapidly	Growing Slowly
<b>Education</b>	Strength	Achievement Gap
<b>State Spending Growth</b>	230% increase	?

# General Fund Spending Growth By Decade



# FY 2012-13 Budget

- **\$5.766 billion** in the red
- **\$3.529 billion** if:
  - Unallotments made permanent
  - Shift paid back when \$ available

# 1970s vs Today: It's a Different World

	1970s	Today
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State Spending Growth	230% increase	?
<b>Policymakers' Solution</b>	<b>MN Miracle</b>	<b>New MN Miracle</b>

JUNE 24, 2010

**Joe Klein:**  
An Afghan  
quagmire?

**Adoptions:**  
From Russia  
with risks

**Poker:**  
Math nerds  
up the ante

**Movies:**  
Summer's box  
office blues

# TIME

## The Broken States Of America

How the financial crisis of the states affects all of us

BY DAVID VON DREHLE



WWW.TIME.COM

# Today's Problem... Opportunity

- **There is no money!**
- **Previous strategies\* won't work.**
- **Lots of talk, little action**
- **Business must lead, offer solutions.**

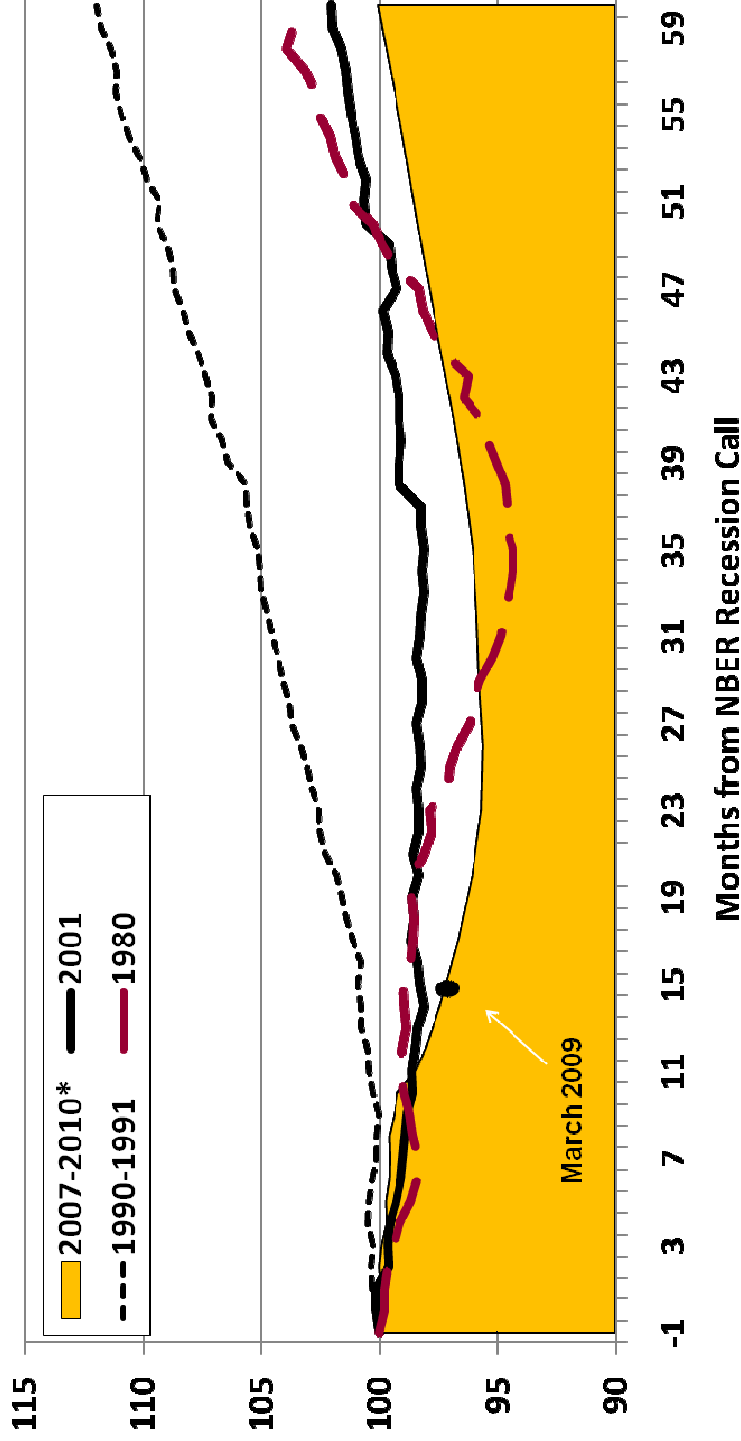
**\*Tax increases, shifts, one-time \$\$**

# Escaping the 1970s: Redesigning Public Services

- **Proactive leadership to**
  - **Determine priorities;**
  - **Define measurable outcomes;**
  - **Redesign delivery systems to buy results; and**
  - **Control expenses**
- **Result: greater value delivered**

# Redesign Won't Be Easy: Economy

MN Employment  
Month Preceding NBER  
Recession Call = 100



# MN Chamber Redesign Strategy

- 1. Focus budget on:**
  - Priorities
  - Outcomes
- 2. State services redesign:**
  - Transportation efficiency
  - Human services: health care & LTC
  - Permitting certainty
- 3. Local services pilot projects:**
  - Local chamber led
  - State agenda to support local initiatives

# MN Chamber Redesign Strategy

- 4. **Control operating expenses:**
  - Public sector comp & benefit study
  - Evaluate teacher contracts
- **Offer proactive solutions: state & local**
- **If we don't act....we'll be stuck with more of the same!**

# **MN Chamber Redesign**

## **Strategy: Local Initiatives**

- **Goal: Community based solutions**
- **Led by the local chamber**
- **Everyone at the table**
- **MN Chamber & Bush Foundation**

# **New Designs for Public Services: Local Initiatives**

- **Brainerd Chamber/Crow Wing County**
- **Staples Motley, Long Prairie  
Chambers/Todd County**
- **Joint effort to streamline human  
service delivery redesign**

# **New Designs for Public Services: Local Initiatives**

- **Owatonna Chamber/City**
  - **Internal process/procedure redesign**
- **Rochester Chamber/Builders/City**
  - **One stop shop for developers**
- **Metro Chambers/Met Council ?**
  - **Transit operating efficiencies**

# MN Chamber Redesign Strategy: Summary

- **Focus budget debate: priorities & outcomes**
- **Redesign state services: 3 areas**
- **Local Services: 6 pilot projects**
- **Salary & benefits study**
- **Use results for 2011 agenda**

# Our End Game

- **Build demand for redesign & reform.**
- **Offer ideas & solutions.**