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Aid to cities worth a new consensus

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Decisions made four decades ago joined Minnesota's state and local governments in a pact of mutual assistance. What was then considered part of the 'Minnesota Miracle' has long been a source of intergovernmental angst. We urge state leaders to do what they can this year to relieve this perennial pressure.

We know such a solution isn't likely. The program known as Local Government Aid, or LGA, distributes state funds to local governments based on need in an attempt to keep property taxes down and ensure basic services. It was targeted for cuts throughout the tenure of former Gov. Tim Pawlenty and is on the chopping block again this year due to the state's budget deficit. St. Paul, Minneapolis, Duluth and other cities depending on aid are understandably worried about cuts proposed by the Republican-controlled Legislature, particularly in the House, where the aid is phased out for the big three cities. Urban officials say when these cuts are combined with cuts proposed for K-12 education and transit, the cities are being unfairly targeted.

The cities have a case to make, particularly when House Republican leaders went out of their way to exclude the fourth "first-class" city, Rochester, from LGA pain. Rochester happens to be the only one of the four with a majority of Republican legislators. The counterweight of Democratic-Farmer-Labor Gov. Mark Dayton should iron out these problems.

But the argument over LGA won't go away. Because money is distributed to help those

with low property tax wealth, it has a built-in political constituency — and a built-in political opposition. It is reasonable for cities that get LGA to hold their taxes down to fight for it, and it is equally reasonable for those communities whose property wealth disqualifies them from the program to question where their statewide tax dollars are going.

Answer: all over the state, from Albert Lea (\$4.7

million in 2010) to Bemidji (\$3 million), from Austin (\$7 million) to Duluth (\$27 million), from Minneapolis (\$64 million) and St. Paul (\$50.5 million) to Ada (\$571,000), Akeley (\$52,712) and Alexandria (\$1.2 million.) These figures are part of the \$427 million paid out last year, according to the Minnesota House Research Department. Eagan, Eden Prairie and Woodbury show up on the list with big fat zeros.

The "Minnesota Miracle" is the name given to the early '70s tax-sharing programs that LGA is a part of. That ethic of mutual assistance is questioned every year. Our political system encourages regional and district-by-district infighting for these dollars, but we should go deeper into the argument over the relationship between the state and its cities.

Does all of Minnesota have an interest in the success of all of Minnesota's cities? Do central cities and regional centers, as magnets for workers and those needing services, have a special claim on state dollars? If the purpose is to hold down property taxes, why not give more of the assistance directly to taxpayers? If uniform emergency services is the purpose, can the aid be focused on police and fire?

We cannot think of a recent governor who did not ask these questions. We urge our house divided at the Capitol to ask them again, and to try to forge a new consensus. That would be a second Minnesota Miracle.

Reciprocity corrected



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The tuition reciprocity agreement between

Minnesota and Wisconsin, the subject of an editorial in this space last Thursday, is complicated. We were correct in saying that a proposal from Wisconsin Gov. Scott Walker is a tweak rather than an attempt to end the program, but the figure quoted for the added costs for students was incorrect.

Under the proposed change, Wisconsin students attending the University of Minnesota under tuition reciprocity would see increased costs of approximately \$1,400 per year, not \$3,000, as was quoted in Wisconsin media and in our editorial. The confusion has to do with University of Minnesota fees, which border-crossing Wisconsin students are already paying, and which would not change under Walker's proposal.