

THINKING MINNESOTA



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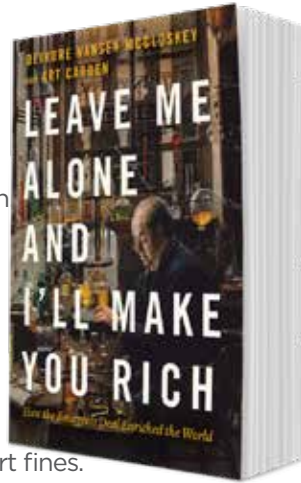
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THE MACHINE BREAKS DOWN

The vaunted political clout of the teachers' unions might be collapsing under the weight of their own arrogance.

No one was surprised when bureaucrats at Minnesota's Department of Education recently flouted two rounds of public comment and doubled down on its radical overhaul of social studies standards for the state's schools. "Ideology has replaced the basic factual knowledge students need to be informed citizens," concludes Katherine Kersten, American Experiment's senior policy fellow. You can read her analysis on page 16 and even more at AmericanExperiment.org.

This represents just another example of why I believe Big Education's inability to repress the influence of its most radical members will ultimately force them onto a collision course with public opinion.

Big Education in Minnesota would do well to heed a couple lessons from November's off-year election for governor in Virginia. When voters in the Commonwealth chose underdog Glenn Youngkin as their new governor, they did more than merely reject the chaotic progressive nonsense that's been spewing across the Potomac River from neighboring Washington, D.C. Many, many Virginians across the political spectrum used their vote to reject the closed-minded radical curriculum that public school teachers want to impose on their students. Parents and voters repeatedly called on school districts to consult them before accepting or rejecting those lesson plans.

The game-changing lesson, though less widely reported, is how blind allegiance to Big Education hurt the campaign of Terry McAuliffe, the stunned loser. McAuliffe, a former Virginia governor who'd long been heavily favored to



Ron Eibensteiner

recapture his office, built a campaign that stood aggressively alongside his teachers. At a critical campaign debate in which Youngkin highlighted parents' displeasure at what's being taught in Virginia's classrooms, McAuliffe said, "I don't think parents should be telling schools what they should teach." And he used subsequent campaign days to repeat that sentiment.

I believe McAuliffe's strategy cost him the election, but not because it roused a conservative reaction against him. Hardly. Conservative voters were already primed to vote overwhelmingly against him. It was education-based *independent* voters that appear to have cost him another term in the governor's mansion. Exit polling

from CBS showed that Youngkin held a 57-43 margin among voters who agreed that parents should have a say in what their child's school teaches. And these were not solely conservatives. Just 34 percent of respondents in that same exit poll self-identified as Republicans.

Minnesotans agree. Our recent *Thinking Minnesota* poll reveals that a whopping 69 percent of respondents believe public schools should be required to make all learning materials available on their websites so parents can see what's being taught to their children.

These factors should be a glass of ice water thrown into the faces of political candidates who blindly accept the Big Ed agenda.

Let me tell you why. Anyone even remotely interested in Minnesota politics understands how the teachers have used the past 50 years of elections in Minnesota to build a hardnosed political machine that is just as effective as anything in the backroom wards of urban Chicago.

The source of their success is, first and foremost, that they own their issue. Over the 45 years that I've surveyed the political landscape, Minnesotans have regularly told pollsters that "education" is a top priority. We love our kids (and grandkids and neighborhood kids) and we want what's best for them. Big Ed skillfully manipulates this emotion by portraying their agenda, always about public money, as being for The Children. Their public playbook assesses the performance of policymakers by how much money they are willing to throw at education.

And this message is consistently

RAISE OUR STANDARDS

Minnesota students deserve education, not indoctrination



sanctioned by adoring coverage in the media. When was the last time you have read, heard, or watched any news report that's even faintly critical of the education establishment (other than from us or Alpha News)? I have always assumed reporters are political fellow travelers who view the world through the same lens as teachers. (The Children, after all.) Big Ed similarly engulfs the pages of cash-strapped community newspapers that can't afford experienced reporters and can't risk alienating the schools, their prime source of local news.

Big Ed's death-grip on policymakers has been just as muscular, both at the ballot box and in the legislature. Teachers comprise the largest single-issue grassroots organization in our political

The linchpin of Big Ed's success has been through exploiting public sympathies for The Children. A curriculum built in part on Critical Race Theory (whether or not they call it that) has nothing to do with The Children.

landscape. They are fiercely organized and show no mercy when shutting down dissident voices. (And, we're told, this includes the growing number of fellow teachers who reject the radical classroom dogma but who fear internal reprisals.) They spend a ton of money and can blanket the capital with an army of lobbyists on a moment's notice. Even some conser-

vative legislators cower at the power of Big Ed, while others merely surrender to the ultimate futility of even trying.

At the local level, Big Ed has helped rig the timing of education-related elections to "off-off" years, when voters likely to enact their candidates/proposals will be most motivated to vote. They regularly elect slates of school board candidates who will rubber-stamp just about anything they want. The extent of their unchallenged overreach has become absurd: Four of the six members of the White Bear Lake school board, for example, are now *teachers*, whose primary responsibility will be to negotiate contracts with *teachers*. Does anyone else think there is something wrong with this picture?

Pretty dire, eh? Not anymore. I described Big Ed's power merely to show the source of their overconfidence. The experience of Glenn Youngkin and Terry McAuliffe (and our own polling) exposes how their recent fixation on forcing radical social doctrine into their classrooms might just cause Big Ed to collapse under the weight of their own arrogance.

Remember: the linchpin of Big Ed's success has been through exploiting public sympathies for The Children. A curriculum built on Critical Race Theory (whether or not they call it that) has nothing to do with The Children. The teachers have forgotten that community support for children does not necessarily transcend into support for *them*. Their new priority is about *using* The Children to indoctrinate a new mirror-image generation of unthinking ideologues.

From my perch, education is the single most important issue facing Minnesota policymakers at virtually every level, down to and (especially) including school boards. Leadership from Center of the American Experiment

and others will help Minnesota voters organize to help teachers use their classrooms to develop students into thinking, fair-minded, discerning adults, not angry, closed-minded political automata.

Our grassroots effort helped direct more than 22,000 comments to the educrats at Minnesota's Department of Education about their standards, none of which approved of the policies. Our published analyses from policy fellows Katherine Kersten and Catrin Wigfall provide a continual intellectual repudiation of Big Ed's curriculum. Our "Raise Our Standards" website constantly updates interested Minnesotans on current analysis and events related to curriculum issues. On top of that, we have hosted 22 town meetings across the state that enabled concerned Minnesotans to vent their frustration with the radical takeover of their local schools. And we hosted a one-day training symposium that taught the perils of curriculum oversight to school board candidates.

I expect the backlash against radical curriculum to grow, in part because Big Ed will trigger it. Their DNA shows no capacity for self-examination or for backing down. They aren't used to losing. They *never* lose. They seem to exist in a private echo chamber of self-congratulation in which they tell each other how "right" they are and, more importantly, how their opposition is wrong (no, make that "evil").

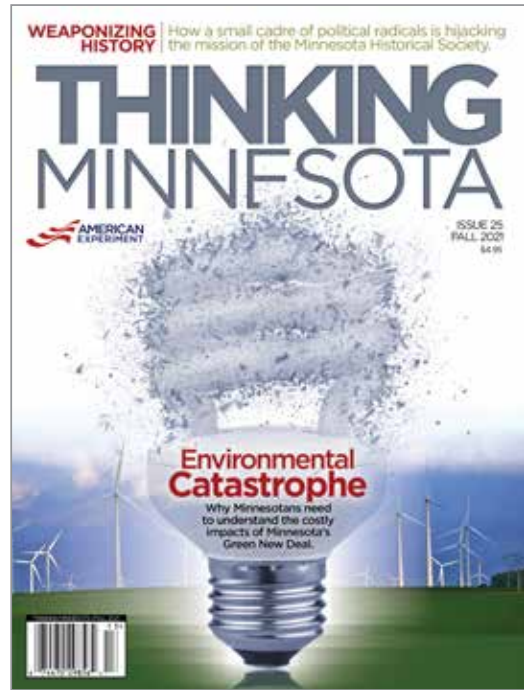
Until now, their strategies never really have had to endure public scrutiny. I have a feeling they are about to. ★



Why Trump?

> There are many articles I was glad to see in the new *Thinking Minnesota* issue, but I am wondering why the picture of former president Trump with a large firearm was pictured. I was so disappointed when Donald Trump was chosen to represent the Republican Party. Someone chosen to be a leader of a country that has been known for its dedication to liberty and honor should be a role model for using liberty to promote honorable values. I am not against the right for people to own guns, but that picture presents an image of a terrorist. Why show anyone from our party in such a light?

-Trudy Madetzke Marshall, MN



is, it must be bad.

One specific vehicle of destruction is the Minnesota Historical Society's publication *Mni Sota Makoce: The Land of the Dakota*.

Kersten claims the book "rewrites history in fundamental ways, all vigorously disputed by independent Minnesota historians." She debunks numerous historical claims in the book on the basis that they are supported by, "contemporary, undocumented, 'oral tradition.'" For Kersten, the fact that her history didn't bother to record the history of the Dakota people means that history is invalid. Her black-or-white fallacy only proves the adage: history is written by the victors.

Mni Sota Makoce: The Land of the Dakota, like any history, is open to critical review. Had

this been the author's purpose, the reader might have learned something valuable. Unfortunately, Kersten's rhetorical biases and fallacies are more suited to fiction than reasoned debate.

-Tom Brandt Blaine, MN

Election Integrity

> All Minnesota residents need to realize the truth concerning the true cost of renewable energy, from construction to decommissioning.

I really appreciated Mollie Hemingway's article on the importance of election integrity (which I believe every citizen desires for our country!).

-Gwen Benson Houston, MN

Unpacking Kersten

> It's time to unpack Katherine Kersten's most recent screenplay pitch, "Weaponizing History: How a small cadre of political radicals is hijacking the mission of the Minnesota Historical Society."

The logline of Kersten's fictional work is "The untold story of how a small, committed cadre of activists have commandeered MNHS's resources and prestige to make it the vehicle of a destructive, self-serving political agenda." One component of this agenda is decolonization. In Kersten's view, this "ideology" has Marxist roots, a genetic fallacy that implies that whatever "decolonization"





Kristi Blokhin / Shutterstock.com

Watch The ACLU

> I am writing in response to your article in the latest issue of *Thinking Minnesota* in which you suggest that some charitable organizations have fallen away from their original founding principles.

One egregious example is the effort of the American Civil Liberties Union

to broker a reward in the amount of \$450,000 for each child and adult who crossed our border with Mexico illegally.

It is helpful to review the original ideals and principles that governed this group, including defending the right of a pro-Nazi group to stage a march in the streets of Skokie, Illinois, a town with a large Jewish population.

Contrast that with current ACLU attorney Chase Strange who advocated for the suppression of the well-known author Abigail Shrier's book, *Irreversible Damage*, in which she raises the alarm about the sudden onset of the transgender movement especially among young girls. It may be that things have been too good and we have forgotten the ideals of free expression. We have cancel

culture and revisionist history.

I agree there needs to be more accountability of corporate giving and the efforts of non-profits for the benefit of our society.

-Jerry Hall

reTHUGlican politicians???

> Impressive, except that you left out the fact that America wouldn't be experiencing inflation if your fat, orange Hitler hadn't lied about COVID-19 and bungled his response with no thought to protect Americans from this deadly virus as he became a super-spreader himself.

Why must Democrats always have to clean up the disasters left by incompetent/evil reTHUGlican politicians???

—Peggy Lubozynski

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Sometimes, it has been that of honored guests and world leaders such as George Will, Benjamin Netanyahu, Margaret Thatcher, Sarah Huckabee Sanders and, in May, Laura Ingraham.

But in either case as well as others, American Experiment's work simply would not be possible — our many megaphones silenced — without the support of friends like you.

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UP FRONT

Teaching

THOUGHT POLICE

State bureaucrats want to teach fifth graders that contemporary policing is part of a system of oppression.

If you needed another reason to dislike the third draft of social studies standards currently under review, take a look at how they treat police officers and the history of policing in America. The study of contemporary policing, as they put it, is part of the new Ethnic Studies strand added to the new draft without legislative approval.

Standard #25 is one of three Ethnic Studies standards:

“Ways of Knowing/Methodologies: Use ethnic and Indigenous studies methods and sources in order to understand the roots of contemporary systems of oppression and apply lessons from the past in order to eliminate historical and contemporary injustices.”

One benchmark for learning about “contemporary systems of oppression” teaches fifth graders to “Examine contemporary policing and explore its historical roots in early America.” (5.5.25.1) So, according to the standards, contemporary policing is part of a system of oppression. Black Lives Matter could not have written it any better.

The third draft’s focus on crime, policing, and the juvenile justice system continues in later grades:

In sixth grade, they “describe the goals, offenses, penalties, long-term consequences, privacy concerns of Minnesota’s juvenile justice system and evaluate the impact on youth, including those from historically disenfranchised groups.” (6.1.4.2)

In high school, they “examine conflicting perspectives about the impact of federal policies on legislation on American society,” including “criminal justice” and “incarceration.” (9.4.19.15)

In high school, they also “explore how criminality is constructed and what makes a person a criminal.” (9.5.25.4)

Why is this important?

Teaching about the history of policing in America from the oppressed/oppressor Ethnic Studies perspective will likely generate fear and resentment in students of some racial/ethnic groups, and convince them that policing and criminality are “racially constructed.”

But don’t take our word for it — the promoters of Ethnic Studies in Minnesota are waging their own campaign to influence the third draft of social studies standards, specifically citing the policing benchmarks.

The Minnesota Ethnic Studies Coalition has issued an action alert asking supporters to “voice your support for including the history of policing as a ‘benchmark’ within Social Studies. The proposed benchmark invites students to examine contemporary policing and explore its historical roots in early America.”

Their suggested talking points:

“It is important for all students to learn about fights against injustice in this country – and it is impossible to teach those stories without addressing policing, which continues to be at the center of the



Teaching about the history of policing in America from the oppressed/oppressor perspective will likely generate fear and resentment in students of some racial/ethnic groups, and convince them that policing and criminality are “racially constructed.”

Justin Berken / Shutterstock.com

fight for racial justice in Minnesota and elsewhere. Our students live in a world in which policing is a central issue in their communities, and they deserve a deeper understanding of policing and the role it has played in our society.”

Their email alert ends with this warning:

“Unfortunately, our progress has been subjected to politically motivated attacks by conservative politicians and organizations.”

Sounds like they’re talking about American Experiment. Always remember: the Left’s feedback is righteous and for the common good. Conservative feedback consists of politically motivated attacks. ★

—Bill Walsh

Misunderstanding Inflation

‘You may not be interested in monetary economics, but monetary economics is interested in you.’

The Biden administration is working through the stages of grief when it comes to inflation. In July, President Biden said that “no serious economist” was worried about “unchecked inflation.” In October, with inflation still stubbornly high and rising, White House Press Secretary Jen Psaki said that inflation was actually a “good thing” because it showed the strength of the economy’s recovery from the COVID-19 shutdown. In November inflation was no longer a good thing, and the Federal Trade Commission was investigating Walmart, Amazon, Kroger, other large wholesalers, and suppliers including Procter & Gamble Co., Tyson Foods, and Kraft Heinz Co. “to turn

over information to help study causes of empty shelves and sky-high prices.”

John Maynard Keynes once wrote, quoting Lenin, that “not one man in a million” understood the mechanics of inflation. Whoever that one man is, he clearly doesn’t work for the Biden administration. But with prices up 6.2 percent in the year to October, “the largest 12-month increase since the period ending November 1990” according to the Bureau of Labor Statistics, Minnesotans cannot afford to remain as ignorant.

Put very simply, the price level, measured by the Consumer Price Index (CPI), is the amount of money spent in a given period divided by the amount

of stuff (goods and services) bought in a given period. If the amount of money spent increases faster than the amount of stuff bought, that ratio increases, inflation, in other words.

This is borne out by the close relationship over several decades between the quantity of money per unit of output – a measure of money divided by stuff – and the CPI – a measure of inflation (both series are expressed as percentages of their average values over the period as a whole to make them comparable and the Y axis is logarithmic).

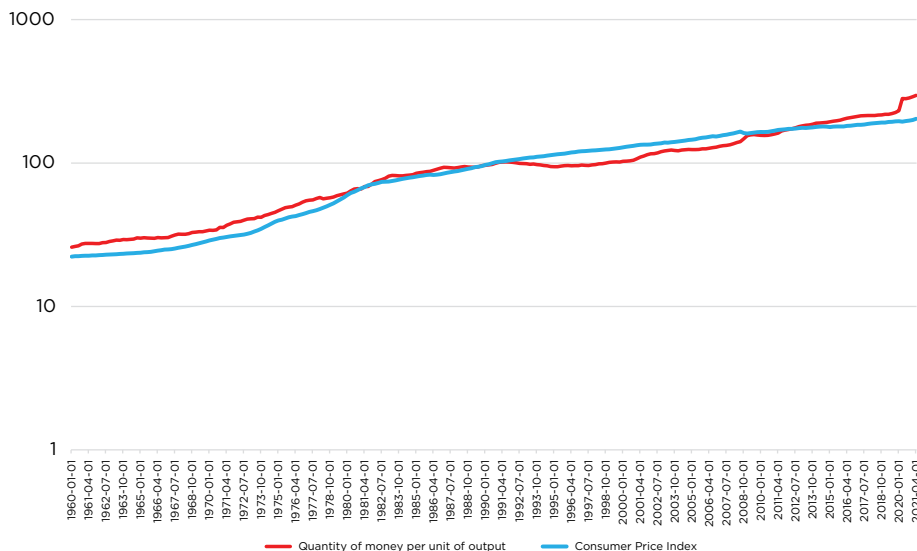
The right side of the nearby chart shows a sharp, recent jump in the quantity of money per unit of output. This is driven by a 37 percent increase in the M2 (money stock measure) money supply between January 2020 and October 2021 while Real GDP – a measure of stuff – increased by just 2 percent between Q1 2020 and Q2 2021. If people had been willing to hold on to this cash it wouldn’t have been inflationary, but they spent a good chunk of it. In the 16 months from June 2020 to October 2021, Personal Consumption Expenditures increased by a monthly average rate of 1.0 percent compared to an average of 0.3 percent for the 16 months from October 2018 to February 2020. This is where our current inflation comes from.

What happens next? If the two lines on our chart are to converge and reestablish their historical relationship, then one or a mixture of three things needs to happen:

1. A decline in the quantity of money (affecting the red line)
2. An increase in Real GDP (affecting the red line)
3. An increase in the CPI (affecting the blue line)

A decline in the quantity of money necessary to bring the two lines together is unlikely. Going back to at least

Money and prices in the United States
(1960-2021) 1960-2021=100



Center of the American Experiment

1960, the M2 money supply has never fallen year over year, and it continues to increase at rates well above historical trends. In no single month between November 1983 and April 2020 did the M2 money supply increase at double digit monthly rates: it hasn't increased at a single digit rate in any month since. GDP growth is also slowing back to historical rates after the initial snapback as economies reopened late

John Maynard Keynes once wrote, quoting Lenin, that “not one man in a million” understood the mechanics of inflation. **Whoever that one man is, he clearly doesn't work for the Biden administration.**

last year. That leaves the CPI to do most of the work to bring these two lines back together – if the red line won't fall, the blue line will have to rise – and that means more inflation.

What can be done about this? The Federal Reserve ought to slow its money creation. The federal government should pursue supply side policies to increase the amount of stuff and it should abandon plans to dump trillions of dollars of spending into the economy. Sadly, the prospects for any of this happening – and, hence, of our outlook for slowing inflation – are not good. To paraphrase another Bolshevik, “You may not be interested in monetary economics, but monetary economics is interested in you.” ★

—John Phelan



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Water Cooler Talk

In case you missed it...and what to watch for.

New policy fellows

Jeff Van Nest, a 20-year veteran of the FBI, has joined the Center as a full-time policy fellow, specializing in public safety and criminal justice. Van Nest's FBI experience included 14 years as an agent in various capacities; his remaining years as a lawyer. As chief division counsel, Van Nest was the top FBI lawyer in the Minnesota/Dakota region. He also served for several years as the Minnesota FBI's public affairs media coordinator. Van Nest will continue as an adjunct professor at the University of Minnesota Law School, where he teaches legal writing. Van Nest received his B.A. from the University of Minnesota, a J.D.



Jeff Van Nest

from the University of Wisconsin School of Law, and a Master of Laws from Georgetown University Law Center.

Longtime state policy expert Bill Glahn has joined American Experiment as an adjunct policy fellow. Glahn most recently served as a research consultant for the Minnesota House of Representatives, supporting the energy, economic development, housing, and budget committees. He also served as deputy commissioner of commerce in Gov. Tim Pawlenty's administration. He previously worked as a management consultant after working in the Federal Reserve System. Glahn holds a B.A. in economics and an M.B.A. from the University of Virginia.

State of inflation...

American Experiment launched a billboard campaign in November bringing



attention to the rising cost of living in the state. 30 static posters and three digital billboards across the Twin Cities highlighted inflation reaching its highest level in 30 years, including bacon, gasoline, and home heating.

Fiery Fall Briefing

Writer Mollie Hemingway delivered a spirited speech about the power of truth and transparency in maintaining our democracy at American Experiment's Fall Briefing in October. The sold-out event took place at the picturesque Winery at Sovereign Estate in Waconia. Hemingway is a senior editor at *The Federalist* and a popular Fox News contributor. Her latest book, *Rigged: How the Media, Big Tech, and the Democrats Seized Our Elections* takes an in-depth look at the most recent U.S. election.



Writer Mollie Hemingway spoke to a captivated audience at the Center's Fall Briefing in October and later signed copies of her most recent book.



Giving Thanks in Owatonna

American Experiment's Owatonna Chapter hosted a Thanksgiving celebration in November. The event drew a crowd of 78 to hear Kendall Qualls, president of TakeCharge Minnesota, describe the state of race relations in America. Since its launch this year, the Owatonna Chapter has put on three events, reaching thousands of people in the area. The Rochester Chapter also hosted a Christmas event in December, at which Kendall Qualls also spoke.

Holiday cheer

American Experiment's Young Leaders Council (YLC) hosted its annual holiday party on December 9th at the Minneapolis Club. YLC was created to help American Experiment engage with and empower young conservatives through networking and development opportunities.



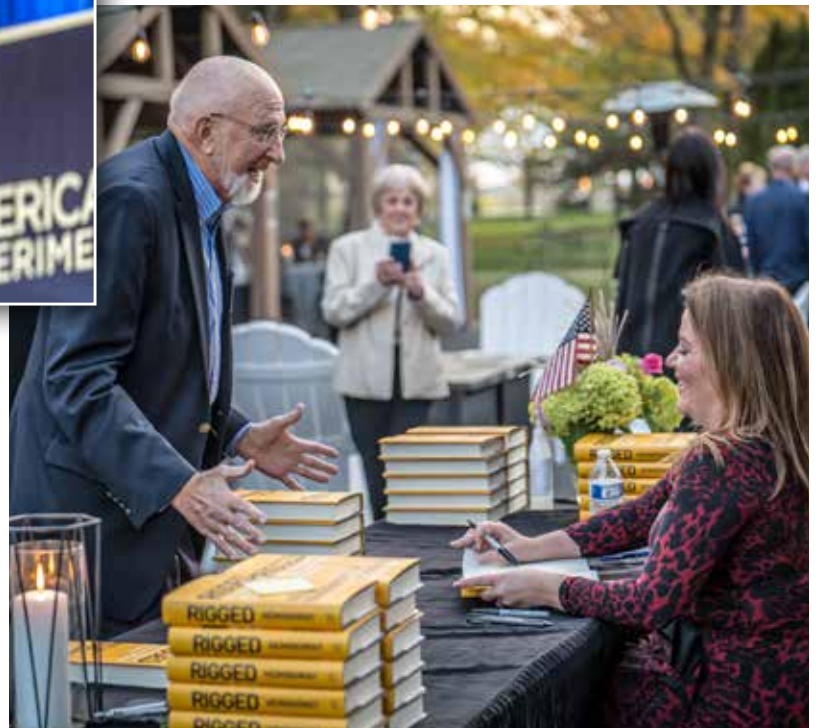
Stay informed!

In between issues of *Thinking Minnesota*, check out our website for the latest news and events. We also have new merchandise available to proudly display your support for American Experiment's work. While you're on our site, sign up for our email list at AmericanExperiment.org/signup and receive exclusive bonus content, like videos with the authors and stories from fellow Minnesotans. Make AmericanExperiment.org your daily stop for the most important politics and policy issues affecting Minnesota.

Pictured above are Pari and Peter Glessing with Martha Njolomole, an economist with American Experiment. They were attendees at the Center's Young Leaders Council annual holiday party.

CORRECTION:

An editing error in the Fall edition of *Thinking Minnesota* ("Risky Business") incorrectly identified Troy Mayer as 2020 Police Officer of the Year by the Minnesota Chiefs of Police Association. That award went to Arik Matson, a well-known officer from Waseca. ★



“Legislators”

The Bad Penny

John Thompson, still in the legislature, continues to owe \$2,700 in outstanding court fines.

Controversial Minnesota State Representative John Thompson (D-St. Paul) has fallen out of the news lately but remains a sitting member of the state’s legislature. In his last media appearance, he agreed to pay \$100 toward the \$316 in fines that had accumulated against a contentious July 4th traffic stop.



John Thompson

However, it turns out that the \$316 is just the tip of the iceberg. Thompson has tallied \$2,713 in unpaid fines and court costs associated with 21 separate incidents dating back over 18 years. These dollar amounts are all recorded on state-maintained databases, accessible to the general public.

Thompson has accumulated unpaid fines in five different jurisdictions, with the majority being in Ramsey County. The fines cover everything from disorderly conduct, to speeding, to minor parking violations.

Until recently, the total figure topped \$3,000. Last month, at the same time he paid the \$100, Thompson entered into a payment plan for a number of other traffic citations in Ramsey County. These recent payments have reduced his outstanding total to the current amount.

The July 4th traffic stop triggered a series of scandals surrounding Thompson, including accusations of domestic violence

made against him before he entered public life, and questions about whether he actually lives within his St. Paul district. When pulled over on July 4th, he produced a Wisconsin driver’s license. The official police report on the incident lists a St. Paul address for Thompson outside of his House district.

Included in the unpaid fine totals is a \$382 charge stemming from a domestic assault case in 2006. Wash-

ington County wrote off the amount as uncollectible in 2016. The same is true for nine other cases more than a decade old where the courts have written off the amounts due as collection agencies failed to obtain full payment from

Thompson.

A \$278 amount stemming from a 2019 trespassing case also remains uncollected, despite the massive amount of coverage around the July 2021 court trial in the case.

Thompson is not always a dead-beat. Significantly, in a 2004 arrest for alleged terroristic threats, which he pleaded down to a disorderly conduct charge, Thompson paid the resulting \$143 fine in full within a year. There are several other traffic-related incidents where Thompson paid his fines and court costs in a full, timely manner.

Still, there are currently 11 active cases where Minnesota courts are officially seeking payments from Thompson.

Thompson first gained media attention in August 2020 when he led a Black Lives Matter protest at the suburban home of the then-head of the Minneapolis police union, at which he shouted obscenities, made violent threats, and beat an effigy of the police union leader’s wife with a stick. At the time, Thompson was already a candidate for the state House.

Back in September, Thompson was expelled by his peers in the MN House Democrat-Farmer-Labor (DFL) party caucus. His official page on the MN House of Representatives website lists his party affiliation as “Independent,” but he appears to have retained his four committee assignments.

The first-term representative has said he will continue to serve.

Despite calls for his resignation, Thompson has no intention of giving up his \$48,250 legislative salary or forgoing his \$66 daily per diem. Perhaps he could return some of that taxpayer money to the treasury to pay off his outstanding fines. We won’t hold our breath. ★

—Bill Glahn



Housing

Now, the Consequences

Melvin Carter doesn't have enough tools in his box to avert the coming havoc of rent control.



Trouble was already brewing for St. Paul Mayor Melvin Carter just a few weeks after his constituents passed one of the nation's strictest rent control ordinances. As developers paused new housing projects, City Hall was in limbo trying to figure out how to enforce the rule, and the mayor was scrambling to find ways to make the ordinance more accommodating.

Good luck. Saint Paul's historic vote came just a couple weeks after American Experiment published a report that listed how rent control policies in other cities have reduced housing supplies, increased housing prices, displaced low-income renters, and produced a decline in housing quality. Additional evidence indicates, perhaps ironically, that rent control mostly benefits middle- and high-income renters, in some cases almost exclusively.

Lawmakers around the globe have tried to mitigate the harsh negative impacts of first generation rent con-

trol policies that froze rents at specific levels. More recent versions exempt new construction, allow increases at limited rates, enable landlords to reset rents to market levels once a tenant moves out (vacancy decontrol), and index rent raises to inflation.

To some extent these provisions allow landlords and investors to recoup some of their lost profits, which then lessens the negative impact of rent control on housing supply. However, they do not eliminate the disastrous effects of rent control, a phenomenon evidenced in cities like San Francisco, Los Angeles, Berkeley, Brookline, Boston, Cambridge, Stockholm, and Berlin.

St. Paul's ordinance is, however, in a league of its own. Oregon, for example, which passed rent control in 2019, allows rent raises of up to 7 percent plus inflation, allows vacancy decontrol, and exempts buildings that were built within the last 15 years. By contrast, if cur-

rent high inflation persists, St. Paul's 3 percent cap would mean that property owners would lose money. Certainly, the rule allows landlords to apply for a fair return exemption, but that will likely be a complex process costing time and money.

City officials should not have been surprised that developers paused housing projects in the face of rent control. Some of this hesitation may have been prompted by questions about how the rules will be enforced and when they will go into effect.

But it should also teach the city and its neighbor Minneapolis that enforcement of rent control is costly to taxpayers. For St. Paul, since the city already passed its own budget with a maximum property

Lawmakers around the globe have tried to mitigate the harsh impacts of **first generation rent control policies that froze rents at specific levels.**

tax levy — meaning there is no room to squeeze in rent control enforcement without making cuts — residents might have to face cuts in other city projects.

Mayor Carter has communicated that he will petition the city council to amend the ordinance with an exemption for new housing. His challenge will be that the city charter prevents the city council from amending ballot measures within one year after their approval. Lawsuits will likely follow. Even if they don't, Carter cannot mitigate the disastrous effects rent control will have on his constituents.

This is likely the tip of the iceberg. ★
—Martha Njolomole

Lessons Not Learned

The Educrats' newest approach at social studies standards doubles down on Critical Race Theory.

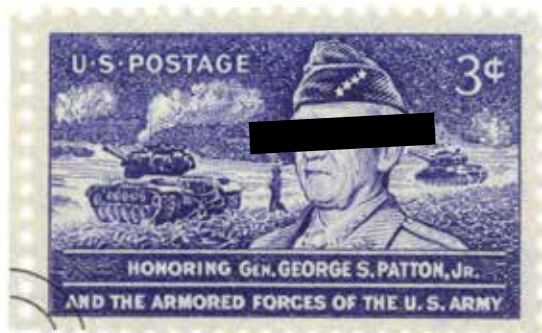
In November 2021, the Minnesota Department of Education (MDE) released the third draft of its proposed new social studies standards. If adopted, the standards—with their radical, ideologically driven agenda—will determine what our state's K-12 students learn over the next 10 years.

Center of the American Experiment is gearing up for a long-haul fight as the standards wend their way through the potentially two-year rule-making process.

MDE's final draft is driven by the themes of Critical Race Theory (CRT): group identity based on race; life as a power struggle between oppressors and victims; and American history as a shameful story of domination, marginalization, and injustice. Ideology has replaced the basic factual knowledge students need to be informed citizens.

The primary vehicle for CRT ideology is "Ethnic Studies"—a highly politicized "fifth strand" added to the four Social Studies content areas named in state law. The first of these standards (Std. 23) teaches that a student's personal identity is determined by his or her group status:

- "Identity: Analyze the ways power and language construct the social identities of race, religion, geography, ethnicity and gender. Apply these understandings, . . . centering those whose stories and histories have been marginalized, erased or ignored."
- The second and third standards (Std. 24 and Std. 25) require students to organize to "resist" America's "systemic" abuse of power against "marginalized," "oppressed" groups.
- "Resistance: Describe how individuals and communities have fought for



The standards reframe American history as a woeful tale of "colonialism," slavery, racism, and imperialism. They say nothing about the major leaders, events, and outcomes of the American Revolution, the Civil War, and World Wars I and II.

freedom and liberation against systemic and coordinated exercises of power locally and globally . . . and organize with others. . .," and

- "Use ethnic and indigenous studies methods in order to understand the roots of contemporary systems of oppression and apply lessons from the past to eliminate historical and contemporary injustices."

How will radical Ethnic Studies standards play out in Minnesota classrooms?

First-graders must "identify examples of ethnicity, equality, liberation and systems of power, and use those examples to construct meanings for those terms."

High school students will be required to "analyze how caste systems based upon race, social class, and religion have been used to justify imperialism, colonization, warfare, and chattel slavery;" and to "examine the construction of racialized hierarchies based on colorism and dominant European beauty standards and values."

The standards reframe American history as a woeful tale of "colonialism," slavery, racism, and imperialism. They say nothing about the major leaders, events, and outcomes of the American Revolution, the Civil War, and World Wars I and II. Instead, the focus is on analyzing "dominant and non-dominant narratives" and "absent voices."

Likewise, the standards teach next to nothing about the basic facts of World History, from the ancient to the modern world. They are silent on the Soviet Union and its gulags, the Chinese Cultural Revolution, Pol Pot's Killing Fields, and North Korea. Instead, they reserve a tone of outrage for U.S. "imperialism" and "oppression."

In geography class, Minnesota students will no longer learn the names and location of continents, the Pacific Ocean, the Amazon, the Rocky Mountains, France, or India. Instead, they will "describe places and regions, explaining how they are influenced by power structures." (Std. 14)

MDE's proposed Social Studies standards will condition Minnesota's young people to feel reflexive suspicion and hostility toward their country, and prime them for political activism, or "resistance"—in the words of Ethnic Studies Standard 24.

Starting in elementary grades, the standards teach that America is deeply unjust. Then they require students to "organize" to "solve problems" or "take action"—along ideological lines—from a base of almost total ignorance about how our nation got where it is today, or alternatives to American institutions. ★

—Katherine Kersten

Wind & Solar

Where's the Beer?

What can a bad beer pour teach us about energy policy? A lot, actually.

Minnesota's Democrat Senator Tina Smith has been a leading proponent of the Clean Electricity Performance Program (CEPP) in Congress, which would force electricity companies to build more wind turbines and solar panels every year or face stiff penalties.

Unfortunately, Smith's preferred energy sources are a lot like her recent beer pour, which you can see in the ac-

Senator Smith should urge her DFL colleagues in Minnesota to legalize construction of new nuclear plants.

companying photo.

U.S. Energy Information Administration (EIA) data show wind turbines and solar panels don't work very often in Minnesota. In other words, they are much more foam than beer.

The graph shows the "capacity factor" of different energy resources in Minnesota in 2019. Capacity factor is industry lingo for

the measurement of how much electricity a power plant produces compared to its potential output. In this case, the glass is the potential output, and the beer is the electricity produced.

Data from the EIA show that wind produced only 32.6 percent of its potential output in 2019 (meaning it was 32.6 percent beer and 67.4 percent foam), solar produced 17.3 percent of its potential output (17.3 percent beer, 82.7 percent foam), and nuclear produced 97.2 percent of its potential output (97.2 percent beer, 2.8 percent foam).

On the electric grid, the foam repre-

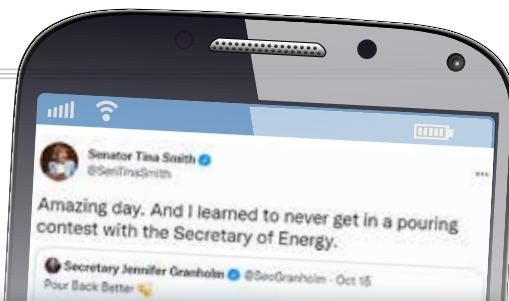
sents a wasted opportunity to generate electricity. This drives up the cost of electricity while adding nothing to the reliability of the system. The foam in Smith's glass represents a wasted opportunity to enjoy a delicious beverage.

Unfortunately, Smith's preferred energy sources are all foam and no beer.

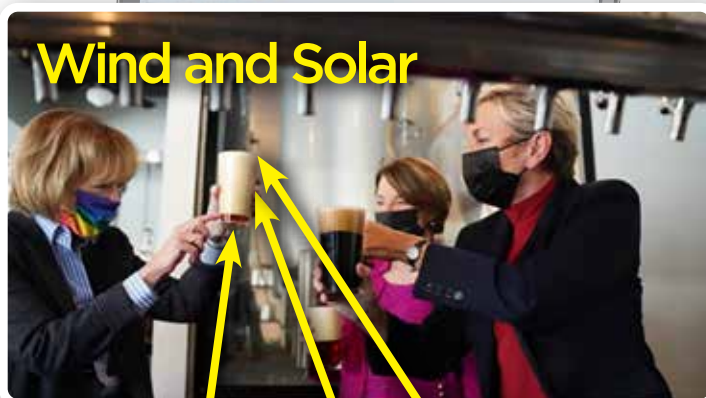
Rather than pushing the CEPP, Smith might read two new studies by American Experiment that found the CEPP would impose an additional \$1,200 per year cost on families in Arizona and West Virginia.

Senator Smith should urge her DFL colleagues in Minnesota to legalize the construction of new nuclear power plants in the state. Only then can she have a reliably good pour of electricity that doesn't emit carbon dioxide. ★

—Isaac Orr



energy.gov

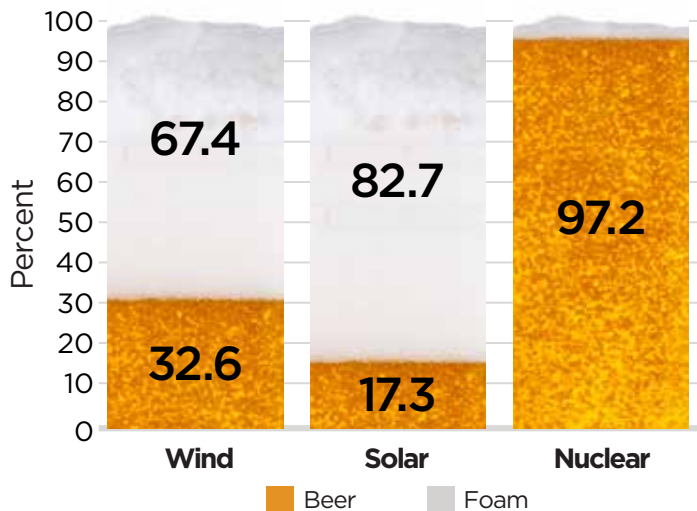


Actual production

Idle capacity **Installed capacity**

Beer vs Foam

For Different Energy Resources in Minnesota



Source: U.S. Energy Information Administration Annual Capacity Factor Data 2019

TOM STEWARD

CHANGE AGENTS

Tone deaf government policies transform parents from partners into protesters.

Since when do dozens of Rochester parents and kids stage a protest on a bitter January evening to pressure officials to reopen their schools? Where did a handful of north Minneapolis residents get up the gumption to force city hall to put more cops on the streets under court order? How did families in Sartell turn the school board's scheme to give grade schoolers an intrusive equity and sexual identity survey behind their backs into an international media event?

"It's the idea of being engaged in your community and taking responsibility and ownership for what is going on with your tax dollars, and high time it happens," said Upper Midwest Law Center attorney James Dickey, who represents both the Minneapolis and Sartell citizen activists.

"Madison wrote about it in the Federalist Papers. He said if you don't have people who are involved in the process pushing for the good, then your democracy only lasts so long."

Parent power commanded media headlines following the astonishing off-year election results in the state of Virginia, driven by grassroots opposition to a political and educational establishment hopelessly out of touch with families and taxpayers.

Yet the same dynamic was already well underway in Minnesota. Out-of-step policies of local and state governments have turned mounting numbers of average citizens and parents from partners into protesters.

"It's not intimidating at all to me because I pay taxes, I pay to live in my house," said Audua Pugh, one of eight North Minneapolis residents who



Tom Steward

successfully sued Minneapolis Mayor Jacob Frey for failing to hire enough cops, as required by the Minneapolis City Charter. "I'm an active member in my community. My voice matters, my vote matters, and so that's why I did it because I have rights as a human being living in this neighborhood. I have a stake in what happens."

Fear for their lives and elected officials' indifference to their plight led Pugh and her fellow plaintiffs to turn to the courts in the midst of the city's violent crime wave, resulting in a groundbreaking victory. But they will not let up until Frey follows through with more police on the streets to stem the carjackings and killings threatening their neighborhoods.

"Our lives are at risk every day,"

said Pugh, a 55-year-old mother and grandmother. "I'm tired of hearing the gunshots, I'm tired of feeling unsafe in my home. I'm at the point where, you want this neighborhood, you want this house? You can have it because I'm ready to go."

A different sort of desperation has played out in communities statewide. A groundswell of opposition formed to schools' lockstep pandemic policies that kept kids out of class against many parents' wishes. Moreover, moms and dads at home with their children became aware of Critical Race Theory and other aspects of a corrosive curriculum that runs counter to their values.

"When is the board going to realize

Moms and dads at home with their children became aware of a corrosive curriculum that runs counter to their values.

we're not going anywhere?" a resident recently asked the Sartell-St. Stephens School Board. "These subtle tactics only strengthen our resolve and reaffirm our belief we have to be involved in what this board is doing."

Instead of welcoming the awakening and engagement of more parents in the process, the National School Boards

Association portrayed them as potential domestic terrorists. Nothing better demonstrates the potency of parental power than the NSBA's outrageous letter prodding the Biden administration to deploy the Departments of Justice, Education, and Homeland Security to investigate and intimidate participants in local school board meetings.

Yet ordinary parents concerned for the future of their kids and community comprise the vast majority of the now commonplace overflow crowds at school board meetings. The greatest threat they pose is to the status quo.

The biggest grassroots group, Let Them Play MN, started with a Facebook page created by Dawn Gillman to take on Gov. Tim Walz's shutdown of football and other high school sports. A marketing consultant and mother of five children in the Dassel-Cokato school district, Gillman's group quickly swelled to 26,000 members statewide.

"It was a wild experience with dads and moms from professionals to stay at home parents to tons of professionals in the medical industry and then tons of different sports teams and clubs and associations," Gillman said. "I did not anticipate it to grow like

that, but it was a blessing because a lot of things got to happen."

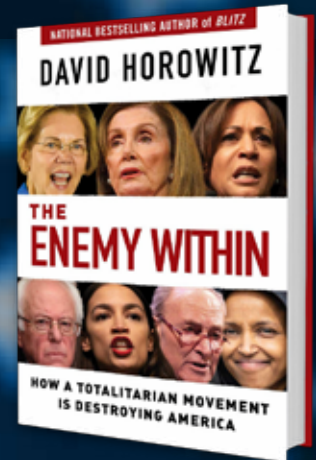
As a result of their involvement, thousands of football and volleyball players were able to participate in fall sports as the Minnesota State High School League backed off a plan to postpone games until spring.

"Sometimes you stick out, you're weird, you're criticized, it's not normal, they say you want to kill people," Gillman said. "But if it intrigues young people to get involved and know they can really make a difference, that would be the biggest legacy of the whole thing."

While the pandemic may have brought out the worst in some government officials, it elicited the best in many Minnesotans who never would have dreamed of stepping into the public square previously. Their continued participation could be pivotal in the outcome of the big round of school board races and other elections this November. ★

Let Them Play MN, started with a Facebook page created by Dawn Gillman to take on Gov. Tim Walz's shutdown of football and other high school sports.

UNCOVER THE RADICAL LEFT'S TRUE AGENDA!



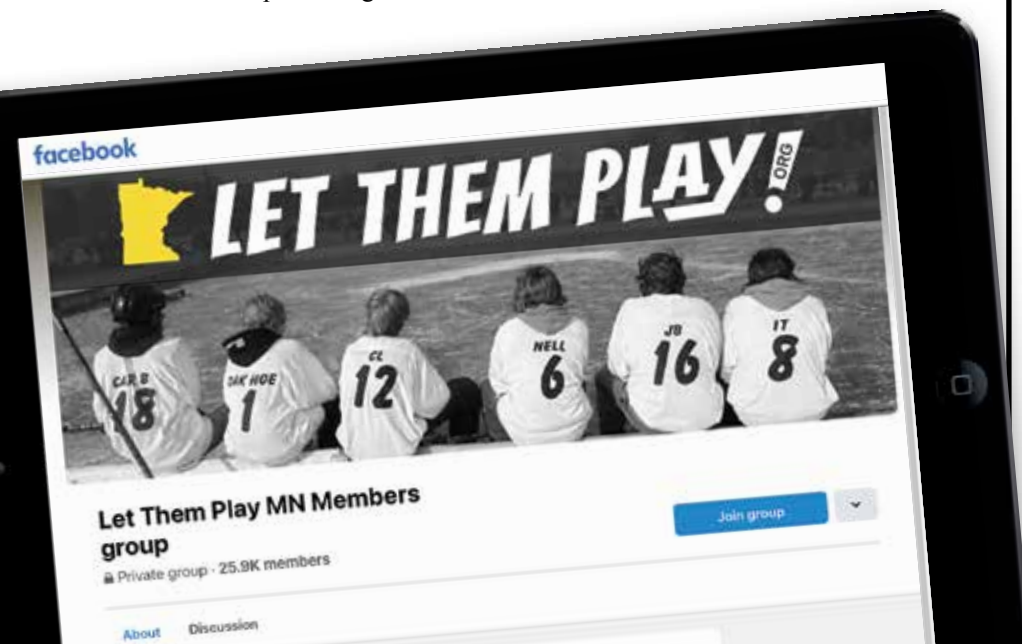
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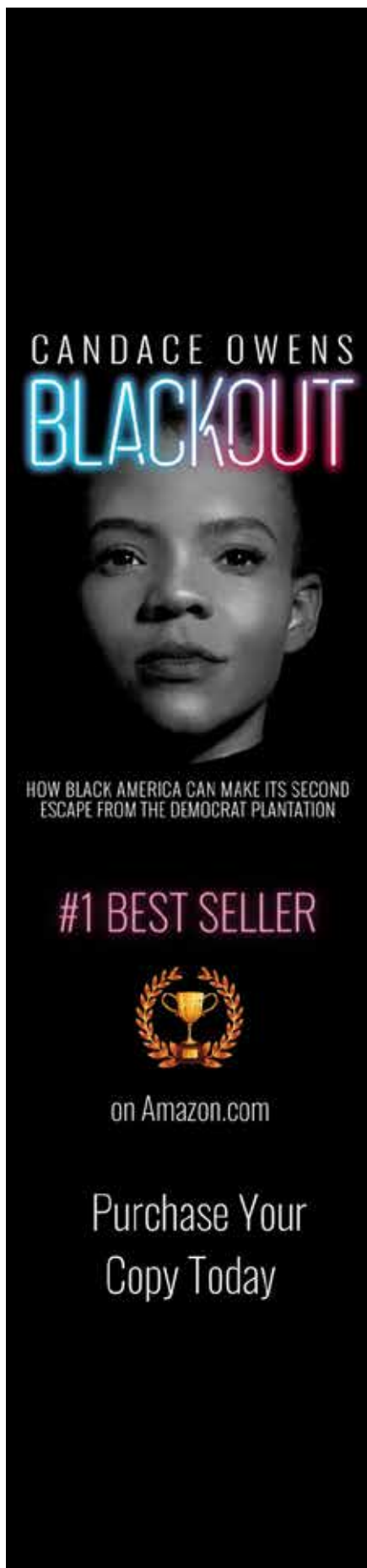
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David Horowitz





UPFRONT



An Englishman Abroad

Musings by British expat John Phelan,
an economist at American Experiment

In the Name of Equity

Progressives write racial discrimination into the law of the land.

In April, a group of farmers from Wisconsin, Minnesota, South Dakota, and Ohio sued the federal government because they are ineligible for a program in the Biden administration's COVID-19 stimulus plan which allocates \$4 billion to forgive loans. They are ineligible because they are white. Announcing the program, Secretary of Agriculture Thomas Vilsack said it would "deliver historic debt relief to socially disadvantaged farmers and ranchers," "socially disadvantaged," in this case, meaning non-white. In the name of "equity," racial discrimination has been written into the law of the land.

The authors of this policy would, no doubt, consider themselves "progressive." And, on the face of it, the open embrace by self-described progressives of the political left of racist policies such as these, is a stunning rebuke of their own intellectual tradition.

Left wing politics used to be class-based politics. Leftists believed that a person's economic status defined his social or political identity. Other factors, such as nationality or race, were irrelevant. "Working Men of All Countries, Unite!" exhorted Marx and Engels in *The Communist Manifesto*. The political struggle that mattered was the struggle between economic classes. "To the workers, the capitalist is unprincipled and an exploiter," a young Walter Mondale wrote, "To the capitalist the worker is weak minded [and] lazy."

To leftists, the politics of nation or race were simply capitalist ruses, meant to divide the proletariat and dis-

tract it from its historic mission. "[A]ll sorts of 'progressive' bourgeois parties and groups have been more and more often resorting to the method of dividing the workers by advocating different bourgeois ideas and doctrines designed to weaken the struggle of the working class," Lenin wrote. "One such idea is refined nationalism, which advocates the division and splitting up of the proletariat on the most plausible and specious pretexts, as for example, that of protecting the interests of 'national culture,' 'national autonomy,' or 'independence', and so on, and so forth."



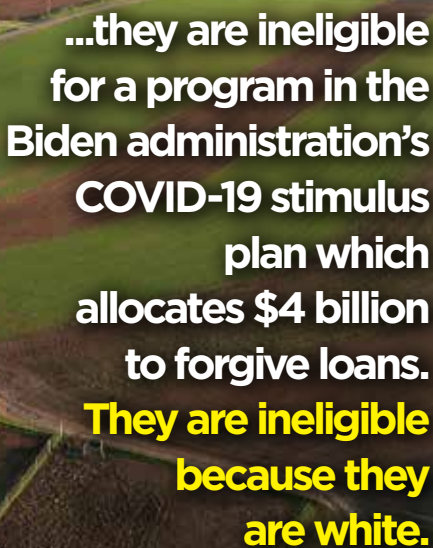
Another of these “specious pretexts” – the most noxious – was race. The Nuremberg Laws of Nazi Germany, for example, included the Reich Citizenship Law, which declared that only those of German or related blood were eligible to be Reich citizens. The laws explicitly described Germany as “the race-based state.” To the Nazis, a person’s race defined his social or political identity. While Marx and Engels believed that “The history of all hitherto existing society is the history of class struggles,” the Nazis could be said to have believed that the history of all hitherto existing society was the history of racial struggles: “[T]he sacred mission of the German people,” Hitler wrote in *Mein Kampf*, is “to assemble and preserve the most valuable racial elements. . . and raise them to the dominant position.”

Some on the left still see politics in class terms. And, when working-class voters don’t behave as this theory says they should, they reach back to Marxist theories of “false consciousness” to explain it. When Donald Trump won 60 percent of the white working class vote in 2016, Joshua Zeitz argued in *Politico* that those voters were “manifestly undercutting their economic self-interest,” and explained that “Trump might be increasing economic inequality, but at least the working-class whites feel like they belong in Trump’s America. He urged them to privilege race over class when they entered their polling stations.”

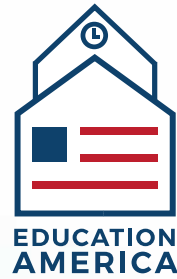
But there are others on the left, increasingly so, who see politics in the racial terms their ideological ancestors rightly reviled. That is how we end up with the federal government implementing a scheme which would take similarly distressed farmers and help the one and not the other solely based on their racial characteristics. The state is increasingly and explicitly “race-based,” and all this, perversely, in the name of “equity.”

Those on the left, like Joshua Zeitz, who puzzle over the question of why white, working-class Americans supposedly see politics in racial and not class terms, might want to ask where they got the idea. Was it from nefarious capitalists, stirring racial animus to distract them from their historic mission? Or was it from politicians like Tom Vilsack, who divide the American people into a set of racial interest groups whose votes can be bought wholesale with taxpayers’ money? I disagree that these white, working-class Americans were privileging “race over class when they entered their polling stations,” but if you think that is the case, it is in part because “progressives” are privileging race when making public policy. ★

—John Phelan



...they are ineligible for a program in the Biden administration’s COVID-19 stimulus plan which allocates \$4 billion to forgive loans. They are ineligible because they are white.



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What Causes Prosperity?

Two economists argue that economic abundance arrived in the West because of changes in ethics and rhetoric and ideology.

For much of human history poverty was our natural state. In 1100, per capita Gross Domestic Product in England was just \$1,151 annually (in 2011 dollars). Seven centuries later, it had tripled in real terms to \$3,343, a level around Kenya's in 2018. But around 1800, something incredible happened: per capita incomes began an increase that was both rapid and sustained. The economic historian Deirdre McCloskey calls this "The Great Enrichment." After 1800, it took just 140 years for England's per capita GDP to triple, instead of eight centuries, and it tripled again in the 62 years after that. In the United States, per capita GDP increased by 2,074 percent

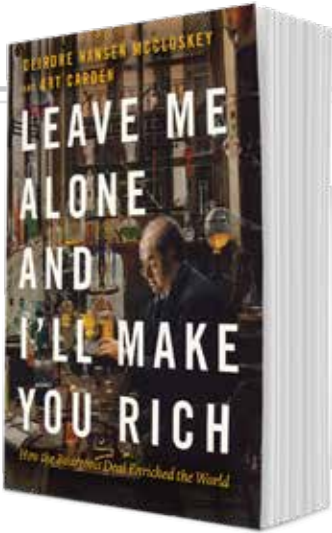
between 1800 and 2018. It is often asked what causes poverty, but the real question – especially if you're Kenyan – is what causes prosperity?

The correct answer must explain both why the Great Enrichment happened *when* it did – roughly around 1800 -- and *where* it did -- northwestern Europe and its offshoots, such as North America. In a new book co-written with economist Art Carden -- "Leave Me Alone and I'll Make You Rich: How the Bourgeois Deal Enriched the World" -- first dismisses several common theories.

The first theory the authors tackle is a popular notion that "the west" became

rich through the expropriation and exploitation of empire and slavery. But McCloskey and Carden point out that empires and slavery had existed around the world throughout recorded history without causing a Great Enrichment *anywhere* else at *anytime* else. Invoking imperialism or slavery fails to explain why the Great Enrichment happened *when* it did and *where* it did.

Capital accumulation is another common theory. But again, McCloskey and Carden explain that people had accumulated capital in many places over many centuries without prompting a Great Enrichment: "Romans and Chinese and all human beings back to the caves have always accumulated capital, abstaining from consumption to get it. Sheer accumulation, without new ideas, runs up against sharply diminishing returns." The same objection applies to "answers" invoking savings. This, too, is an activity found in many places over many centu-



“Give ordinary folk the right to life, liberty, and the pursuit of happiness – against ancient tyranny (and modern regulation, industrial planning, and occupational licensure) – and they commence thinking up all manner of new ideas”

ries with no resulting Great Enrichment. Once again, these “answers” fail to answer the *when* and *where* questions.

Theories invoking geography – a favorable climate or resource endowment – might explain the *where*, but they fail if they cannot also explain the *when*. The geography of northwestern Europe or its offshoots did not suddenly change around 1800: “Coal and coastlines and navigable waterways and fertile farmland have sat for millennia without leading to a Great Enrichment.”

Some economic historians have tried to answer both questions by examining the historical record of Britain around 1800. Around that time, Britain experienced “better property rights, a work ethic, a consumer society, competition, modern medicine, and science.” This approach gets us nearer, but on close examination this still doesn’t answer the *when* and *where* questions. While they are all desirable circumstances, Mc-

Closkey and Carden note that property rights, commercial competition, hard work, and consumption are all found commonly throughout history; modern medicine and science are results of enrichment, they argue, not its causes.

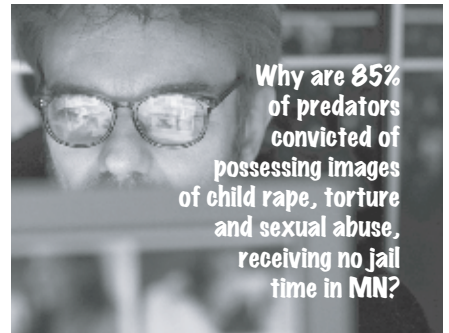
So what did cause the Great Enrichment? McCloskey and Carden argue that “it was because of a change in ethics and rhetoric and ideology.” Why *then* and *there*? “A combination of happy accidents,” they write. These were:

“...embodied in the four Rs... reading, reformation, revolt, and revolution. They led to the fifth R, a revelation of commerce and betterment, plain in literature and political thought...of England and Scotland, culminating in the Bourgeois Deal. The Deal was slowly expanded to all classes and was partially protected from the other B-Deals by liberalism and the success of the innovism among commoners that it inspired”

“Give ordinary folk the right to life, liberty, and the pursuit of happiness – against ancient tyranny (and modern regulation, industrial planning, and occupational licensure) – and they commence thinking up all manner of new ideas” McCloskey and Carden write. “New ideas” which, for example, put accumulated but dormant capital and savings to work utilizing the coal that had lain uselessly under British feet for 300 million years.

But if the Great Enrichment was based on a “change in ethics and rhetoric and ideology,” will it continue if they change again? This book explains how humanity escaped from poverty and how those still stuck there, like our Kenyans, can get out. But, in doing so, it tells us how fortunate we are for that Enrichment. McCloskey and Carden offer an exploration and celebration, but a warning, too. ★

—John Phelan



Why are 85% of predators convicted of possessing images of child rape, torture and sexual abuse, receiving no jail time in MN?

75% convicted of DISSEMINATION get probation only.

60% convicted of PRODUCTION get probation only.

MN House Leadership argues spending \$6 million to put 200 more predators behind bars is considered too expensive. But spending \$7 million on a fancy rest stop is not?!



What's the safety of our children worth?

Go to Child Protection League for more information about the Protect MN Kids Act.

<https://childprotectionleague.com/pmka>

IT'S TIME TO GET TOUGH ON CHILD PREDATORS.



Minnesota's children need you.

www.childprotectionleague.com

Public Safety

Officer Up!

Minneapolis is still on the hook to replenish its police force.

After Minneapolis voted down the Charter amendment to defund its police department, the Upper Midwest Law Center (UMLC) is renewing its legal call for the city council and Mayor Jacob Frey to fully staff and fund its atrophied police department, according to the requirements of its Charter.

James Dickey, senior trial counsel at UMLC in *Spann, et al. v. Minneapolis City Council and Mayor Jacob Frey*, explained why the city is still on the hook: “The Court ordered the city council and Mayor Frey to take action *immediately* to hire more officers to ensure compliance with the law. They have failed to do so.”

The lawsuit was first filed on August 17, 2020, on behalf of eight residents and taxpayers of Minneapolis, demanding Frey and the city council comply with the minimum policing requirements laid out in the

Minneapolis City Charter. UMLC and its clients won the case, but instead of complying, the city appealed the ruling.

The suit argues the City Charter requires the mayor and the city council to fund 0.0017 police officers per citizen in Minneapolis. The population of Minneapolis is 429,954, according to 2020 census data. By law, Minneapolis is required to have .0017 police officers per resident, meaning the *minimum* should be 731 cops.

Even though the Hennepin County District Court issued a mandate on July 21, 2021, requiring the City to comply with the terms of this suit, the mayor and city council failed to do so. “The court ordered Minneapolis to take immediate action to make sure they are in compliance with the charter by next June,” Dickey explained. Right now, they are more than 70 officers below the minimum, and they appear to

have taken zero action to comply with the Court order. “They seem to be putting all of their faith in their appeal. But if they lose again, they are likely to miss the deadline and possibly be in contempt of Court,” he said. “It’s a big problem when your elected officials intentionally break the law.”

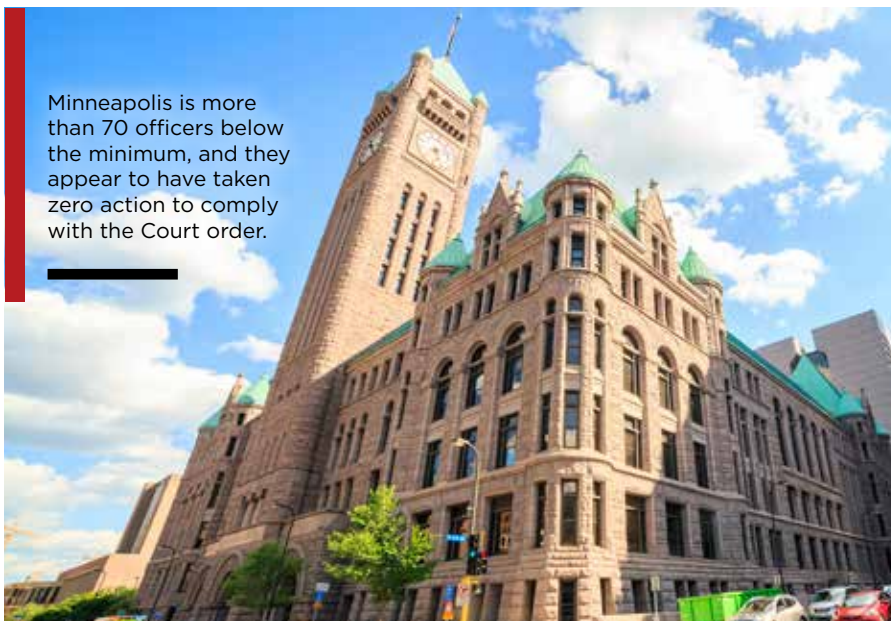
No one doubts that Minneapolis is in a crisis, says Dickey. “The city faces a violent crime rate that has skyrocketed this year. It is the responsibility of the city council and the mayor to make Minneapolis safe. Instead, they violated their duties to fund, employ, and manage a police force as required by the City Charter. The city council and the mayor are required by the city charter to provide for public safety by funding and employing a working police force. The Charter gives the city council and the mayor-complete power over the establishment, maintenance, and command of the police department.”

Dickey says in order to meet the 731-officer minimum, recruiting and training must be a priority. The three Minneapolis Police Academies operate with the expectation that a total of 110 newly sworn police officers will graduate in the 2021 Academy sessions. With a shrinking pipeline of recruits from which to pull, and an already depleted pool of recruits, the city has a lot of ground to make up, and the prospect for the next three years looks bleak as the minimum requirement struggles to keep up with a growing population, according to Census Bureau estimates. The city’s appeal is scheduled to be heard by the Minnesota Court of Appeals on December 15.

“Our clients don’t have to take a bullet to have standing to enforce clear legal duties that are causing them harm” Dickey said, but the danger is close enough. “One of our client’s houses had just been shot – a bullet lodged just under their daughter’s bedroom window.” ★

—Jenna Stocker

Minneapolis is more than 70 officers below the minimum, and they appear to have taken zero action to comply with the Court order.



Analysis

Save the Coyote

North Dakota energy will benefit from Otter Tail Power's decision to walk away.

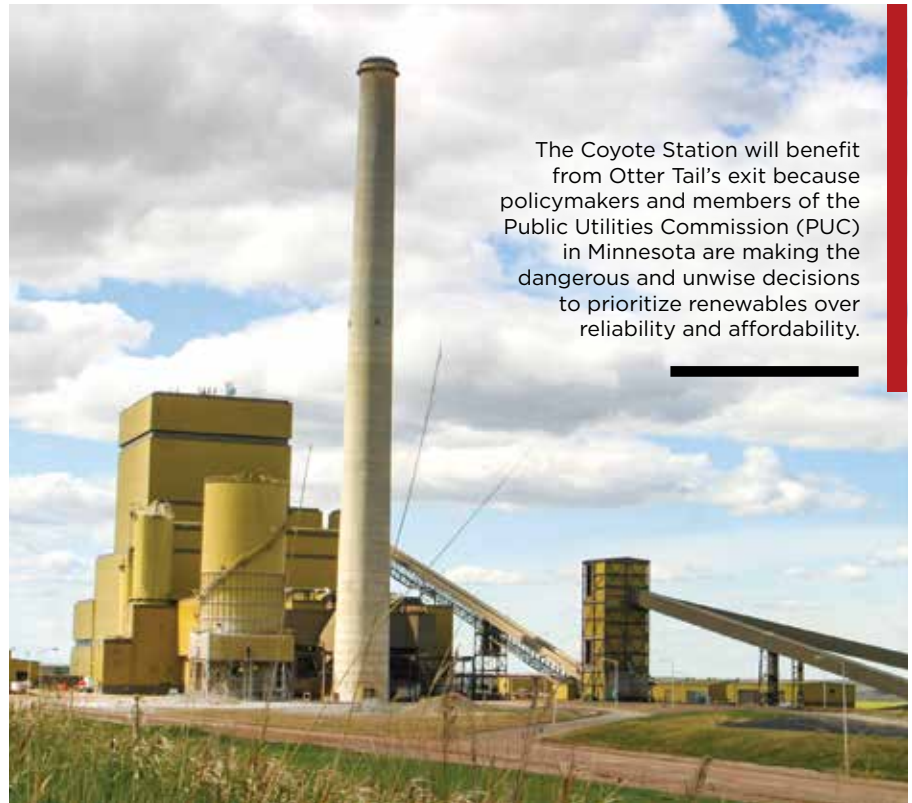
The Otter Tail Power Company made headlines when it announced it would seek to withdraw from its 35 percent ownership of the Coyote Station, a lignite-based electric generating plant located in Beulah, ND. This announcement garnered plenty of criticism in North Dakota, but Otter Tail's exit from the plant is actually the best-case scenario for the plant's long-term operation.

Center of the American Experiment has voiced strong support for North Dakota coal plants. It recently collected nearly 900 signatures urging Minnesota co-op board members to support the sale of the Coal Creek Station, another

Coyote will likely need upgrades.

lignite plant, located near Underwood, ND. John Weeda, director of the North Dakota Transmission Authority, has used American Experiment-generated graphs in presentations to show how Coal Creek delivered more electricity to the grid during multiple hours of the polar vortex of 2021 than the entire regional wind fleet *combined*.

The Coyote Station will benefit from Otter Tail's exit because policymakers and members of the Public Utilities Commission (PUC) in Minnesota are making the dangerous and unwise decisions to



The Coyote Station will benefit from Otter Tail's exit because policymakers and members of the Public Utilities Commission (PUC) in Minnesota are making the dangerous and unwise decisions to prioritize renewables over reliability and affordability.

prioritize renewables over reliability and affordability. This unfortunate political reality no doubt influenced Otter Tail's decision to divest from the plant.

Critics charge that Minnesota's PUC is a dysfunctional mess and largely beholden to well-funded wind and solar special interest groups. These groups have successfully cowed the PUC into delaying the transfer of the high-voltage transmission line that transports electricity generated at the Coal Creek Station to Minnesota for purely ideological reasons, even though Rainbow Energy has said they plan to install carbon capture and sequestration technology on the plant to reduce emissions.

Coyote will likely need upgrades in order to comply with the EPA's "regional haze rules," and it is unlikely that the Minnesota PUC will allow Otter Tail to recoup those costs from ratepayers. These upgrades will also be opposed

by Minnesota's hyperpartisan Attorney General Keith Ellison. These parties would try to use the needed regional haze upgrades as a reason to shut down the plant, rather than see them as an opportunity to improve the environment.

Finding a new buyer for the plant who does not have the same regulatory and political constraints as Otter Tail is the best-case scenario for Coyote Station and the North Dakota families and businesses who rely on its continued operation. The North Dakota Public Service Commission is a much more reasonable regulatory body than its Minnesota counterpart, and the rest of the Midwest will need Coyote's reliable, affordable electrons for years to come as Minnesota regulators foolishly shut down our existing coal plants. ★

A version of this originally appeared in the Fargo Forum.

—Isaac Orr

That '70s show

Health Policy Edition.



During the 1970s, at the tail end of the Brutalist architecture era, the federal government built several offices in this dreary concrete block style. One of the most notable examples of these brutal eyesores is the Humphrey Building, named after the former Vice President and U.S. Senator from Minnesota, which houses the U.S. Department of Health and Human Services at the foot of the Capitol. While it continues to stand as a monument to the ugly health care policies of the day, federal policy eventually moved on. It's well past time for Minnesota to follow.

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If you grew up in the 1970s, you might look back wistfully on your avocado green refrigerator, matching green shag carpet, summer vacations out of your station wagon, the Muppet Show, and maybe your orange AMF Roadmaster Runaway bike with the sleek black vinyl banana seat. Minnesotans of a slightly older vintage might remember the era with less nostalgia, recalling the triumvirate of inflation, recession, and unemployment that reigned over a lackluster economy.

It wasn't until the end of Reagan's second term that Washington finally ditched the combined economic policy failures of Nixon, Ford, and Carter. While Min-

nesota lawmakers followed many of the federal missteps of the 1970s, they have not been as quick to correct their errors. This is especially true in health care.

Federal Controls on Health Care

The policy follies began in 1970 when Congress passed the Economic Stabilization Act (ESA), a law that delegated unprecedented discretion to the president during peacetime to impose controls on America's economy. The law infamously led farmers to kill price-controlled chickens when the uncontrolled increase in grain prices made feeding them unprofitable. In the health care sector, the ESA

generally set a limit on price increases at 6 percent.

In February 1973, Congress heeded President Nixon's call to pass the HMO Act of 1973. Health Maintenance Organizations (HMOs), he argued, better foster "cost-consciousness." To kickstart HMOs, the law provided grants and loans to *nonprofit* HMOs, preempted state laws that limit HMOs, and mandated employers to provide an HMO option alongside traditional insurance.

Next came the National Health Planning and Resources Development Act of 1974 in which Congress mandated all states to require health care providers to get state approval through a certificate

of need (CON) before building new or expanding existing facilities. The idea was based on a “if you build it, they will come” belief that increasing the supply will automatically increase utilization, regardless of the need.

Minnesota Doubles Down

Meanwhile, Minnesota policymakers took these federal initiatives to another level, imposing even tighter controls on the health care sector.

In 1976, the state attempted to control nursing home prices by requiring them to charge private payers the same rate as residents subsidized by Medicaid. Because the state sets Medicaid rates, the practical effect of this ruling was that the state took over price setting for nearly the entire nursing home population. Minnesota and neighboring North Dakota are the only states in the country with such a strict price control on nursing homes.

On top of the federal policy that limited federal HMO grants and loans to nonprofits, Minnesota law required all HMOs to be nonprofits when they were first authorized in 1973. At the time, 40 states required HMOs to be nonprofits. But by 1999, Minnesota was the only state left that banned for-profit HMOs.

Finally, after running a CON program from 1971 to 1984 in line with federal law, Minnesota concluded CON was not working well enough. To better lock down supply, the state adopted a far stricter moratorium on hospital capacity expansions that required legislative approval for any expansion. This followed a similar moratorium on nursing home bed expansion in 1983.

Policies Failed

Each of these policies was largely aimed at controlling costs and inflation. None of them worked. Overall, national health expenditures as a percent of GDP rose from 6.9 percent of GDP in 1970 to 8.9 percent in 1980.

As Milton Friedman explained in *Newsweek* in 1971, price controls might freeze the stated price but this won’t stop actual price changes from happening. They’ll just be concealed in the form of changes in discounts, service, and quality. And when price freezes end, prices will jump. That’s exactly what happened.

Minneapolis-based Interstudy, a health policy think tank under federal contract to study HMOs, expressed initial concerns that the HMO Act’s limiting of grants and loans to nonprofits introduced market distortions. Minnesota law cemented that distortion. Despite the federal preference for nonprofits, HMOs experienced only moderate growth in the 1970s and the eventual expansion of HMOs in the 1980s largely depended on for-profit models.

Minnesota Retained Control as Feds Loosened

This record of failure prompted the federal government to begin repealing and curtailing these policies. Minnesota, on the other hand, adopted even stricter controls on the health care sector.

As the Feds terminated the ESA’s price controls by 1974, Minnesota policy makers made the nursing home rate equalization program permanent. Federal preferences for HMOs were gradually phased out during the ‘80s, including the mandate on employer participation. Minnesota continued to require HMOs to be nonprofits. Congress also repealed the CON program mandate in 1986 and 11 states followed suit, including Minnesota—but only because the state’s stricter moratoria on hospital and nursing home expansions had already made CON unnecessary.

Freeing Minnesota’s Health Care Sector

In 2017, Minnesota lawmakers finally began to release their hold on these 1970s era government controls on health care

pricing and supply. The implementation of the Affordable Care Act, otherwise known as Obamacare, severely disrupted the state’s individual health insurance market. Insurer losses led premiums to spike and pushed both Blue Cross Blue Shield and PreferredOne to flee the market. As part of an individual health insurance market rescue package led by Republicans in the Minnesota House and Senate, the legislature repealed the state’s 40-plus year restriction on for-profit HMOs.

The COVID-19 pandemic is now exposing how strict controls have harmed health care facilities. Early on in April 2020, Gov. Tim Walz gave the Commissioner of Health the authority to temporarily waive or modify the moratoria on hospitals and nursing homes. Clearly, the strictness of the law posed an obstacle to protecting people from the pandemic. However, one must ask whether the Executive Order was too little too late. If the moratoria never existed, the capacity or the nimbleness to increase capacity quickly may have already been in place.

There is no question Minnesota’s nursing homes struggled to protect their residents. Minnesota nursing homes had the fifth highest percentage of COVID-19 deaths as a percent of confirmed COVID-19 cases in 2021 as of November, according to data from the Centers for Medicare & Medicaid Services. Minnesota posted the second highest percent of nursing homes—over 50 percent—reporting a shortage of nursing staff.

Future investigations on how nursing homes responded to COVID-19 may also inform whether rate equalization has undermined their quality of care. Prices and quality tend to be linked, which has long raised concerns over whether rate equalization impacts the quality of care. As Milton Friedman noted, the impact of a price freeze can be concealed by changes in quality. ★

—Peter Nelson

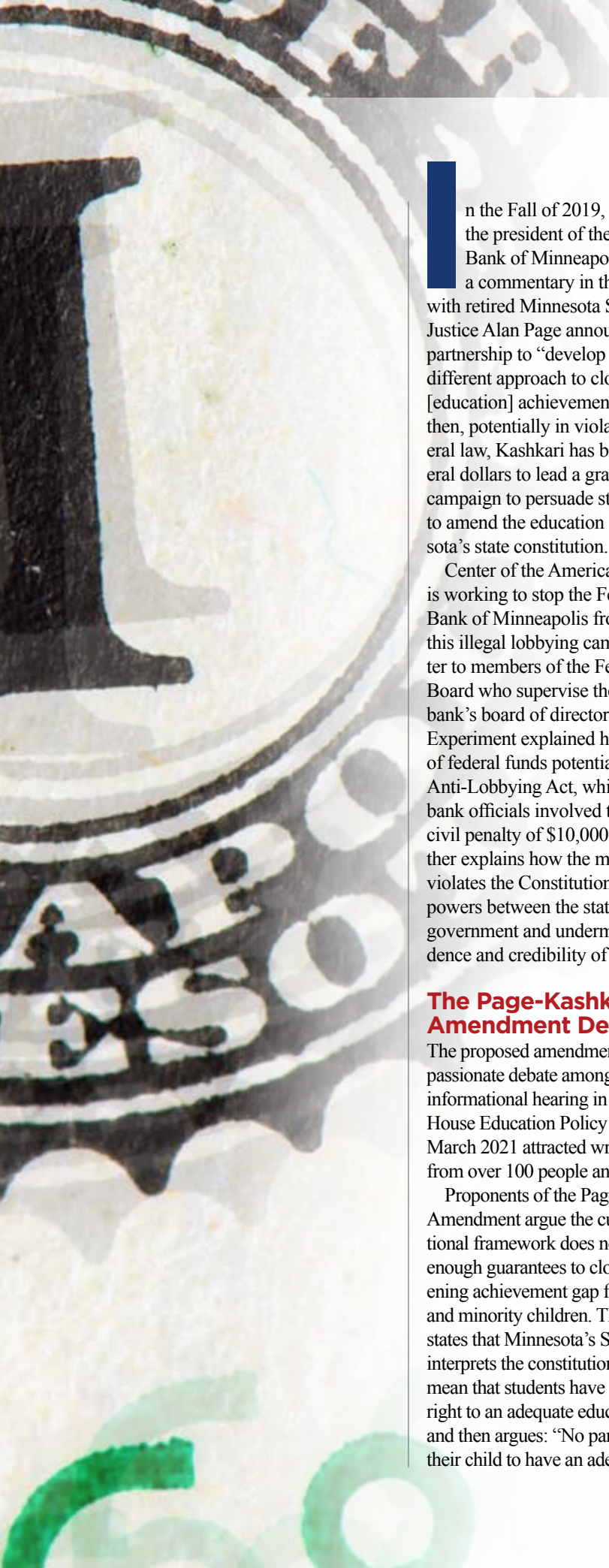


≡ MISSION CREEP

IMPRUDENT AND ILLEGAL?

The Minneapolis Federal Reserve's lobbying for the Page Amendment undermines the bank's independence and might just break the law.

BY PETER NELSON



In the Fall of 2019, Neel Kashkari, the president of the Federal Reserve Bank of Minneapolis, published a commentary in the *Star Tribune* with retired Minnesota Supreme Court Justice Alan Page announcing their partnership to “develop a fundamentally different approach to closing Minnesota’s [education] achievement gaps.” Since then, potentially in violation of the federal law, Kashkari has brazenly used federal dollars to lead a grassroots lobbying campaign to persuade state lawmakers to amend the education clause of Minnesota’s state constitution.

Center of the American Experiment is working to stop the Federal Reserve Bank of Minneapolis from continuing this illegal lobbying campaign. In a letter to members of the Federal Reserve Board who supervise the bank and the bank’s board of directors, American Experiment explained how this misuse of federal funds potentially violates the Anti-Lobbying Act, which would subject bank officials involved to a minimum civil penalty of \$10,000. The letter further explains how the misuse of funds violates the Constitution’s separation of powers between the states and the federal government and undermines the independence and credibility of the bank.

The Page-Kashkari Amendment Debate

The proposed amendment has stirred up a passionate debate among Minnesotans. An informational hearing in the Minnesota House Education Policy Committee in March 2021 attracted written testimony from over 100 people and organizations.

Proponents of the Page-Kashkari Amendment argue the current constitutional framework does not provide strong enough guarantees to close the state’s widening achievement gap for low-income and minority children. The bank’s website states that Minnesota’s Supreme Court interprets the constitutional “language to mean that students have a fundamental right to an adequate education system,” and then argues: “No parent aspires for their child to have an adequate education.”

The proposed amendment, it says, would create “a fundamental right to a *quality* public education ... as measured against *uniform achievement standards*.”

Opponents of the amendment cut across ideological and political lines. They argue it would jettison the current constitutional framework without providing a specific remedy or policy to close the achievement gap. Myron Orfield, a professor at the University of Minnesota Law School and former DFL state legislator, argued that “tying constitutionality to a qualitative academic achievement standard ... creates the potential for chaotic litigation over minutiae of education policy.” Writing in the *Star Tribune*,

The public now has good cause to question whether the Minneapolis Fed is advancing a political agenda through its research and education arm.

Center of the American Experiment Senior Fellow Katherine Kersten likewise warned how, “rather than producing academic gains, the Page-Kashkari amendment would open a Pandora’s box of lawsuits. Plaintiffs would sue to compel their own vision of ‘quality’ education, ranging from universal public-school preschool for the very youngest children, to comprehensive sex education, to racial quotas for students and teachers in every classroom.”

The Federal Reserve often provides research on policies related to the economy. However, in response to questions from the *Wall Street Journal* regarding Kashkari’s actions, former Federal Reserve Bank of Philadelphia President Charles Plosser explained, “Fed officials as a general rule avoid making political recom-

mendations based on specific proposals, particularly ones unrelated to its scope of responsibilities.” In addition to a general rule, there is also a federal law that may restrict Federal Reserve officials.

Federal Law Bars Lobbying with Federal Funds

Congress enacted the Anti-Lobbying Act in 1919 to prohibit federal employees from using federal appropriations to lobby Congress. It amended the law in 2002 to substitute civil penalties, ranging from \$10,000 to \$100,000, in place of criminal penalties. Most pertinent to Kashkari and his staff, the prohibition now extends to lobbying with the purpose of influencing any government policy at every level of government, not just members of Congress. Therefore, federal law now prohibits lobbying to influence state legislators and citizen votes on a ballot measure.

Kashkari and his staff are potentially violating this law. For over two years, they have engaged in classic grass roots lobbying activities to persuade state legislators to put a constitutional amendment on the ballot and, ultimately, to influence Minnesota citizens to vote for it.

The bank maintains a regularly updated web page entirely devoted to promoting the adoption of the amendment which plainly states, “The Federal Reserve Bank of Minneapolis is proud to partner with a diverse, bipartisan coalition of people and organizations in support of the Page amendment.” They reinforce the message through regular email updates, tweets from the Bank, and commentaries by Kashkari published in local newspapers. Kashkari also enlisted Alene Tchourumoff, the bank’s Senior Vice President of Community Development and Engagement, to testify in favor of the amendment at the March policy committee hearing.

Moreover, the bank continues to hold a series of “community conversations”

across the state that provide a public platform for school board members, teachers, and legislators to rally support for the amendment. They direct people to the Our Children website, the 501(c)(4) advocacy organization devoted “to build support to pass the Page Amendment.” In the clearest example of grass roots lobbying, they often call on attendees to contact their legislators.

The substantial nature of the Minneapolis Fed’s lobbying shows how egregiously the bank’s employees have misused public resources and breached the public trust, and helps inform the amount the offending Fed employees should be fined.

Statute Should Apply, Despite Fed’s Unique Character

While the Minneapolis Fed’s actions are clearly lobbying, Kashkari and the Fed’s lawyers will certainly argue the statute does not apply to the bank because it is a self-sustaining private banking corporation funded largely by the issuance of stock and interest.

The statute bans the use of congressional appropriations for lobbying. Also, one federal court suggests the ban only applies to “federal employees and agencies,” even after the 2002 amendment broadened the law’s application. Thus, if either of these factors don’t apply to the Minneapolis Fed’s actions, then the bank’s lawyers may be right.

The unique public and private structure of the Fed has long challenged courts when assessing whether various federal laws apply to the Fed Banks. Cases are mixed on whether the banks are agencies or instrumentalities of the federal government for the purposes of various federal laws. When courts do apply federal law to the banks, it’s usually regarding laws more in line with the Anti-Lobbying Act, which suggests the lobbying ban applies.

For instance, the Ninth Circuit held that the Federal Bribery Statute—located in the same chapter of the U.S. Code as the Anti-Lobbying Act—applies to an employee of the San Francisco Fed.

Some courts have concluded the banks are not funded by a federal appropriation for the purposes of other laws. However, those cases reference direct Congressional appropriations, and do not consider the full nature of what constitutes an appropriation. In one opinion, the Comptroller General of the United States explained that it, “has consistently held that the term ‘appropriated funds’ includes not only funds appropriated by Congress out of the Treasury, but also other funds specifically made available by statute for obligation and expenditure by a government entity.”

Funding for the Fed fits this Comptroller characterization of an appropriation. Congress authorizes the banks to earn income through issuing stock and charging interest, and Congress authorizes them to use this income to pay their expenses. Notably, Congress requires the banks to return earnings to the Treasury, after the expenses of the bank and other legally required payments are made. This powerfully demonstrates how Congress maintains its constitutional power of the purse over the Minneapolis Fed’s earnings.

While it’s not clear how a court would rule, this is a case where strong facts—a Fed Bank clearly abusing its independence—will weigh in favor of a court finding a violation.

Grave Constitutional Concerns

Beyond this potential violation of the Anti-Lobbying Act, Kashkari’s lobbying activities raise grave constitutional concerns. Under the U.S. Constitution, states hold dual sovereignty with the federal government. Justice Sandra Day O’Connor noted in *Gregory v. Ashcroft*



Peter J. Nelson, a senior policy fellow at Center of the American Experiment is a leading expert on the Affordable Care Act and health insurance regulation. Currently, his work concentrates on developing and advancing policies to promote more competitive, affordable health insurance markets. Nelson received a B.A. in economics from Wheaton College and a law degree from the University of Minnesota Law School, where he was a member of the *Minnesota Law Review*.

that this is a fundamental principle of federalism “every schoolchild learns.” She further instructed, “[p]erhaps the principal benefit of the federalist system is a check on abuses of government power,” explaining that “a healthy balance of power between the States and the Federal Government will reduce the risk of tyranny and abuse from either front.”

Even modest steps taken by the Minneapolis Fed to directly influence state law upend this healthy balance. By using the Fed’s budget and clout, Kashkari directly interferes with the state of Minnesota’s sovereign right and responsibility to operate independently from the federal government. Indeed, the Fed is trying to influence an education policy that is entirely reserved to state lawmakers.

Meddling in state affairs is not among the limited powers the Constitution grants to the federal government. State sovereignty could lose all meaning if the federal government is empowered to freely wage campaigns to align states with federal policy.

Fed’s Independence Compounds the Problem

The Minneapolis Fed compounds these constitutional concerns because, by design, it operates independently. Because Congress authorizes the bank to collect revenue by issuing stock and charging interest independent from a direct Congressional appropriation, it operates largely outside the checks and balances that limit other federal agencies.

The Fed received this independence to allow it to freely set monetary policy apart from short-term political influence. Yet, the Minneapolis Fed is using this independence to testify in St. Paul and organize citizens to call state legislators. If this is lawful, then there is virtually no limit on the Minneapolis Fed’s state lobbying activity given the agency’s lack of accountability and unlimited funding stream. If activists within the Fed can allocate \$100,000 to its current grass roots campaign, nothing would prevent a \$1 million campaign, or more.

Clearly, the U.S. Constitution does not allow Congress to establish an independent government entity to collect interest from private banks to fund campaigns to influence changes in state law.

Undermines Bank’s Credibility

When confronted with criticisms from former Fed officials, Kashkari strongly defends the bank’s lobbying efforts. He cites the bank’s congressionally mandated goal of full employment and argues the Page-Kashkari Amendment is a tool to accomplish that because education is the most important determinant to meet that goal. Yet nearly every state policy impacts employment, from corporate taxation to electricity regulation to public welfare programs. If the Fed banks can influence state lawmakers to achieve full employment, then there is no limit to their meddling in state politics.

In an interview with the *Minnesota Reformer*, Kashkari mocks critics of the bank’s lobbying efforts by claiming they can’t argue on the substance and so must “reach to arguments like this.” He further impugns his opposition by claiming “there are a lot of people who don’t care about the education disparities in Minnesota.” Ironically, this response reveals how it’s Kashkari who can’t argue the substance and defend the bank’s lobbying. Instead, he resorts to suggesting his critics don’t care. Incredibly, on his Minneapolis Fed letterhead, Kashkari also resorted to telling highly regarded law professor Myron Orfield, a critic of the amendment, that his views “appear to be grounded in racism.” It’s hard to read Kashkari’s words as anything but a smear to bully and undermine an opponent. Whether or not you agree with his policies, the racism label does not stick on someone who has written as expansively on racial inequities in housing and schools as Orfield.

Kashkari’s hostile response to critics reveals how he’s set the Minneapolis Fed squarely on one side of a highly controversial, politicized issue. As Plosser, the former president of the Philadelphia Fed warned, “A real danger is that such actions can indirectly insert the Fed into the political process, undermining its case for independence.”

Unfortunately, the public now has good cause to question whether the Minneapolis Fed is advancing a political agenda through its research and education arm. It’s one thing to produce research on a particular economic policy

from an independent perspective as the Fed regularly provides—such as research on the minimum wage or the housing market—but that independence falls away when research turns to advocacy.

Sen. Toomey Launches Review of “Woke” Fed

The Minneapolis Fed’s recent foray into hosting events and sponsoring research on structural racism and Critical Race Theory prompt similar questions about the bank’s motives and its case for independence. For example, a Minneapolis Fed working paper posted last summer studied whether investment subsidies offer a better reparations policy to reduce the racial wealth gap than wealth transfers.

The Fed’s engagement on these politically and emotionally charged social policy topics led Sen. Pat Toomey, the ranking member on the U.S. Senate Banking Committee, to launch a review into “woke mission creep by regional federal reserve banks.” In a press release, Toomey specifically cautioned Kashkari and the presidents of the Boston Fed and Atlanta Fed “on the reputational damage being inflicted on the [Minneapolis/Atlanta/Boston] Fed and the Federal Reserve as a whole by pursuing a highly politicized social agenda unrelated to monetary policy.”

Real Solutions

Contrary to Kashkari’s claim, virtually everyone cares about the achievement gap. For decades, Center of the American Experiment has advocated expanding school choice to give disadvantaged kids immediate access to a better education. Senior Fellow Katherine Kersten recently highlighted the success of Mississippi’s intense early reading policy as a proven alternative to the proposed amendment that includes no plan. These insights flow from her substantial body of writing and research on the achievement gap published by American Experiment for many years.

For one more alternative, Gerald O’Driscoll, the former president of the Federal Reserve Bank of Dallas, suggested that if Kashkari “truly wants to help the education system, perhaps he should examine the role of the unions.” That’s another area where American Experiment leads. ★

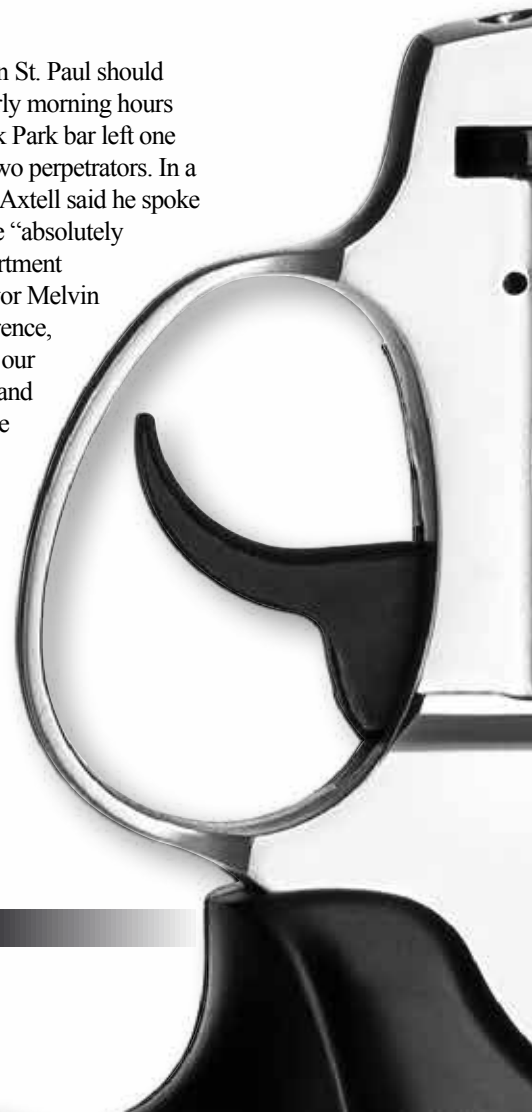
REVOLVING DOOR COURTHOUSES

By Jenna Stocker

Want to know
why we're
worried about
public safety?
**Ask the judges
and prosecutors
who keep
returning thugs
to our streets.**

The largest mass shooting in recent history in St. Paul should never have happened. A shootout in the early morning hours of October 10th at the Seventh Street Truck Park bar left one person dead and 15 injured including the two perpetrators. In a morning tweet, St. Paul Police Chief Todd Axtell said he spoke with the 20-year-old victim's family who were "absolutely devastated." He promised that the police department "WILL bring justice" in the case. St Paul Mayor Melvin Carter said in a Sunday afternoon press conference, "we don't accept things like this happening in our city," and said he was "shocked," "appalled," and "heartbroken" over the brazen violence. But he shouldn't have been.

It was St. Paul's 32nd homicide in a record-breaking year – 35 as of December 9th. Throughout the Twin Cities, crime is overtaking headlines as street violence, robberies, and carjackings surge. Minneapolis homicides increased from 80 to 89 in the period between November 30th 2020 and November 30th 2021 according to the City of Minneapolis Crime Dashboard. Aggravated assaults increased from 2,791 to 2,926. The dangerous trend is due to many factors, but



one that is foreseeable and at least somewhat preventable, is the number of criminals back on the streets after sentences are reduced. It is a plague of the revolving door, and what happened at the Seventh Street Truck Park bar is the deadly consequence.

According to prosecutors, Terry Lorenzo Brown, Jr., 33, from St. Paul entered the Seventh Street Truck Park bar armed with a gun that was illegally in his possession. Previous felony convictions include aggravated robbery, drug possession, aiding a robbery, and violating a no-contact order. Brown was ultimately charged with one count of second-degree murder and 11 counts of intentional attempted murder in the second degree.

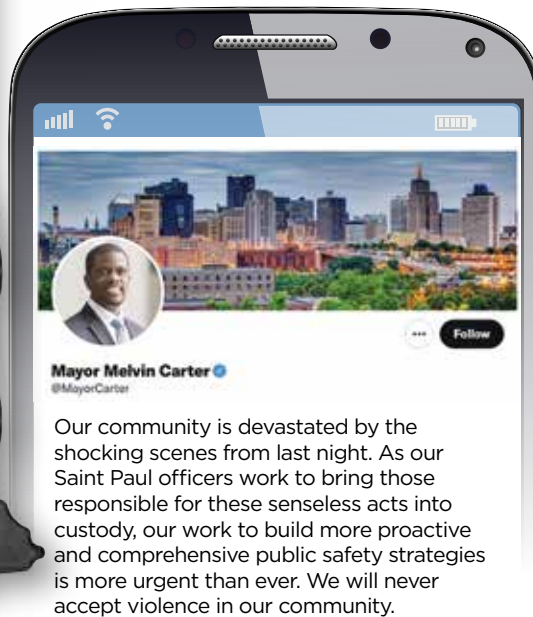
Brown was previously charged with five felonies between 2007 and 2019 for which state sentencing guidelines recommended prison sentences in four of those cases, but judges gave him lighter sentences allowing him to avoid prison. His record should alarm anyone concerned with their own safety and that of their community. In 2019 he was convicted of a felony,

his second violation of a no contact order. After reviewing that case, with full knowledge of his past criminal activity and felony convictions, Judge Kathryn L. Quaintance sentenced him to 180 days in the Hennepin County Workhouse under supervised work release, a reduced sentence from the recommended 5 years in prison. However, he never showed up. Being in violation of the terms of his probation, Brown was *again* brought before the court in September of 2020. He was sentenced by Judge Sarah S. West to serve 210 days in the Hennepin County Workhouse, with a credit of 56 days for time already served. Instead of reverting to his initial sentencing term of five years in prison because he violated the terms of his probation, he was sentenced to serve less than one year under supervised probation. Brown was released back onto the streets with zero time served in prison.

Brown should never have been at that bar. He should have been halfway through a 5-year prison term in St. Cloud's correctional facility.

These tragedies are exceedingly frustrating because they are not isolated incidents. Judges across the state impose softer sentences than those recommended by the sentencing guidelines.

The latest data provided by the Minnesota Sentencing Guidelines show that Minnesota convicted 17,355 felons in 2019. Of those, 5,965 were recommended for prison, but 39 percent — 2,353 cases — had their sentences reduced to probation. The worst judicial offender in 2019 was Ramsey County, where 51 percent of guideline-recommended prison sentences were reduced, the highest rate of any judicial district in the state. Hennepin County recorded 34.5 of what they call “downward departures.”



For offenders who have been imprisoned for crimes occurring less than 28 years ago, the term of imprisonment is defined by Minnesota Statutes, section 244.101, known as the “two-thirds rule.” Convicted criminals with prison sentences will only serve *two-thirds of the total executed sentence*. According to a study by the Prison Policy Initiative in 2018, 123,000 Minnesotans were either incarcerated or under criminal justice supervision. Of those, a wide majority, 95,000 people, were on probation. In Minnesota, many felony cases result in mandatory probation sentences.

This means that most offenders will avoid jail altogether. Even when offenders are convicted of a felony with sentencing guidelines recommending prison, the judge may decide on a downward departure. But even if sentenced to a prison term within the recommended guidelines, a felon will only serve two-thirds of that time in prison before being released. It’s hard work for a convicted criminal to be sent to prison and serve hard time in Minnesota.


For perspective, Minnesota currently has the fourth-lowest state imprisonment rate in the nation with 176 people incarcerated per 100,000 residents, according to the U.S. Bureau of Justice Statistics for 2019. Massachusetts has the lowest rate at 133 per 100,000 residents. Louisiana is the highest with 680 per 100,000 residents. Wisconsin is right in the middle with 378 per 100,000 residents, more than twice the rate of Minnesota.

Ramsey County Sheriff Bob Fletcher told legislators at a hearing in October that mandatory minimums for gun crimes would help alleviate escalating violent crime. “What’s happening is because some in the court system and some in the attorney system don’t want to sentence people for that long; they’re generally

pled down to something other than the actual gun offense. So somehow, we need to make sure we have some mandatory minimums on those gun offenses that aren’t pled down on a regular basis.”

The August 29th killing of Blake Swanson illustrates Fletcher’s point. The 20-year-old was allegedly shot and killed by Chris Jones at St. Paul’s Raspberry Island. Swanson and his friends frequented the site that summer before he was fatally shot in the neck and his girlfriend robbed while sitting in his car. In August of 2017, Jones was convicted of felony possession of a firearm and sentenced within the recommended Minnesota sentencing guidelines to 60 months imprisonment. However, because of the “two-thirds” statute, Jones was out on probation, in possession of a gun he was prohibited from having and shot Swanson to death.

As of November 30th, the Minneapolis Police Crime Dashboard reported 5,494 incidents of violent crime, compared to 5,083 incidents the same time last year, on pace to have the highest incidents of violent crime for the past five years. This is especially shocking compared to dramatically lower numbers of 4,322 in 2019 and 3,854 in 2018. The data show a similar, terrifying trend for homicides in the city. With 89 homicides through November 30th, Minneapolis has already surpassed the 2020 total. In that same time, St. Paul recorded 35 homicides, breaking the city’s record.

 In November 12th, Robert Hall ran a red light at the north Minneapolis intersection of West Broadway and Lyndale avenues and crashed his gray Chevy Monte Carlo into a black Mercury SUV. Hall then shot Kavanian Palmer, a pedestrian who

attempted to restrain Hall. Other onlookers stopped him as he attempted to carjack a woman’s car in an attempt to flee the scene. Palmer died, becoming the 84th homicide victim in Minneapolis this year. A subsequent search of Hall’s vehicle revealed he was also in possession of a .357 caliber firearm.

Hall, a 39-year-old career criminal from Golden Valley, whose record includes 23 prior convictions, never should have been on the street that day, nor owned the two guns he possessed at the time of his arrest. Sentencing guidelines recommended 21-month prison sentences for felony state lottery fraud and felony drug possession from December 2020. This came after he was convicted of felony drug possession in 2016 and three counts of felony domestic assault charges in 2011, 2012, and 2013. Instead, Judge Marta M. Chou ignored the guidelines and released him into Hennepin County’s Model Drug Court. He was out on probation at the time he allegedly shot and killed 21-year-old Palmer.

Judge Chou did not respond when reached for comment about her decision. However, a communications specialist at the state court administrator’s office said the referral to probation was made per an agreement between the prosecutor and the defense attorney. The judge could not comment about the killing of Palmer per pending case rules.

It isn’t just violent criminals making headlines. County attorneys are also in the spotlight for not prosecuting crimes already on the books. Ramsey County Attorney John Choi announced in September that his office will no longer prosecute cases in which the charge comes from a non-public-safety traffic stop, claiming those stops disproportionately target people of color. County attorneys set the tone for law enforcement in the Twin Cities and surrounding suburbs, and policies in place in the metro area appear to be influencing communities across Minnesota. “When I talk to my local law enforcement, crime is migrating from the urban area into rural Minnesota and one of the reasons why my local law enforcement feels this is occurring is the lack of prosecution,” said Scott Newman, a senator from Hutchinson, speaking to his fellow committee members




Jenna Stocker is managing editor of *Thinking Minnesota*. A former Marine Corps officer, Stocker holds a degree in accounting from the Carlson School of Management at the University of Minnesota, where she also swam long-distance freestyle for the school’s varsity swimming and diving team. Stocker spent time as a researcher specializing in Islamism and military weapons systems at the Center for Security Policy in Washington, D.C. She also contributes to the *Federalist* magazine.

Sentencing Guidelines Grid

Presumptive sentence lengths are in months. Italicized numbers within the grid denote the range within which a court may sentence without the sentence being deemed a departure. Offenders with stayed felony sentences may be subject to local confinement.

SEVERITY LEVEL OF CONVICTION OFFENSE (Example offenses listed in italics)	CRIMINAL HISTORY SCORE							
	0	1	2	3	4	5	6 or more	
<i>Murder, 2nd Degree (Intentional; Drive-By-Shootings)</i>	11	306 261-367	326 278-391	346 295-415	366 312-439	386 329-463	406 346-480 ²	426 363-480 ²
<i>Murder, 2nd Degree (Unintentional)</i> <i>Murder, 3rd Degree (Depraved Mind)</i>	10	150 128-180	165 141-198	180 153-216	195 166-234	210 179-252	225 192-270	240 204-288
<i>Murder, 3rd Degree (Drugs)</i> <i>Assault, 1st Degree (Great Bodily Harm)</i>	9	86 74-103	98 84-117	110 94-132	122 104-146	134 114-160	146 125-175	158 135-189
<i>Agg. Robbery, 1st Degree</i> <i>Burglary, 1st Degree (w/ Weapon or Assault)</i>	8	48 41-57	58 50-69	68 58-81	78 67-93	88 75-105	98 84-117	108 92-129
<i>Felony DWI</i> <i>Financial Exploitation of a Vulnerable Adult</i>	7	36	42	48	54 46-64	60 51-72	66 57-79	72 62-84 ^{2,3}
<i>Assault, 2nd Degree</i> <i>Burglary, 1st Degree (Occupied Dwelling)</i>	6	21	27	33	39 34-46	45 39-54	51 44-61	57 49-68
<i>Residential Burglary</i> <i>Simple Robbery</i>	5	18	23	28	33 29-39	38 33-45	43 37-51	48 41-57
<i>Nonresidential Burglary</i>	4	12 ¹	15	18	21	24 21-28	27 23-32	30 26-36
<i>Theft Crimes (Over \$5,000)</i>	3	12 ¹	13	15	17	19 17-22	21 18-25	23 20-27
<i>Theft Crimes (\$5,000 or less)</i> <i>Check Forgery (\$251-\$2,500)</i>	2	12 ¹	12 ¹	13	15	17	19	21 18-25
<i>Assault, 4th Degree</i> <i>Fleeing a Peace Officer</i>	1	12 ¹	12 ¹	12 ¹	13	15	17	19 17-22

 Presumptive commitment to state imprisonment.

 Presumptive stayed sentence; at the discretion of the court.

and representatives of Minnesota law enforcement in a Judiciary and Public Safety Finance and Policy committee hearing in October. He expressed disappointment that Choi was a no-show for the hearing. “I candidly am very disappointed he’s not here because it is his policy that he has instituted in Ramsey County, his jurisdiction, that in large measure is why we’re here today.”

Declining to prosecute cases stemming from traffic stops misses more dangerous offenses, according to law enforcement officers. Choi “is asking departments to direct officers to stop enforcing laws that he personally disagrees with,” says Allison Schaber, president of the Ramsey County Deputies’ Federation. “This new policy will create missed opportunities for officers to remove dangerous criminals, drugs, and guns from the streets.” Choi’s new policy will embolden offenders to commit crimes, she added. “Less accountability for criminals means more people will continue to be victimized.”

Choi’s policy is “a slap on the face to victims of crime,” Brian Peters, executive director of the Minnesota Police and Peace Officers Association told the same Senate committee. “Those that break the law, particularly at a felony level won’t even get a slap on the wrist and [are] left to commit more crime and more serious offenses. Reduction of crime and public safety for all should be our focus as the crime rate escalates.” Peters continued, “When people speak of not prosecuting crimes or reducing sentences, a result is emboldening those who choose criminal activities. *This does not keep people safe.*”

Hennepin County will soon decide if it will follow Choi’s lead, perhaps delayed in part by the fact that Hennepin County Attorney Mike Freeman has announced his retirement and will be replaced in the 2022 election. The candidates have spoken publicly about incorporating transformative

progressive change into the role of law enforcement, “There’s never been a better opportunity for change in my 31-year career,” candidate Mary Moriarty said in an interview with Minnesota Reformer, pledging that under her leadership the county attorney’s office would place more focus on alternatives to prison.

Current Minnesota House Majority Leader Ryan Winkler, also running, told KARE-11 News that “people are really hungry for somebody who can pull us together around a progressive vision for public safety in Minneapolis and surrounding suburbs.” Another candidate, Assistant Ramsey County Attorney Saraswati Singh, pledges to expand the role of drug treatment courts as an alternative to prison, prioritize addressing racism and systemic racism, and update the current drug charging policy focusing on treatment and incarceration alternatives, according to her campaign website.

This rhetoric follows the lead of cities that elected prosecutors prioritizing criminal justice reform and “Restorative Justice.” In San Francisco, District Attorney Chesa Boudin, elected in 2019, pushed to close jails and focused on systemic racism in the criminal legal system instead of prosecuting actual criminals. Now, the city’s rampant crime has become a national talking point. The deaths of two pedestrians, killed by a vehicle driven by a paroled felon, started a recall effort by outraged residents. Voters will now decide if Boudin will keep his position when his job is put to the vote in June.

Senator Warren Limmer related the concerns of his constituents at the end of the October Minnesota Senate committee hearing, “Everyone is coming up to me with the concern ‘what are you guys doing about prosecutors not prosecuting crime?’ Police officers now, don’t feel they should arrest someone because the prosecutors aren’t even going to prosecute. This is an acute problem in the metropolitan area that is moving, sprawling into outlying areas. Even the *Star Tribune* ran with the headline, ‘Crime But No Punishment.’ We do have the power to react to crime. That is the focus of our attention.”

Unfortunately, this is not a concern of a growing number of Minnesota’s judges and prosecutors. ★



A WARNING

BELOW ZERO BLACKOUTS?

How diminished coal supplies and over-reliance on wind and solar could bring rolling energy blackouts to Minnesota in a harsh winter.

BY ISAAC ORR AND MITCH ROLLING

As we write in December, much of Europe and Asia are embroiled in what news outlets have deemed a “global energy crisis,” and energy prices are surging across America.

Gasoline prices, at \$3.50 per gallon, are the highest they’ve been since the Obama administration. Home heating costs are also rising, with the price of natural gas and propane in Minnesota up 250 percent and 60 percent, respectively, over last year. Prices could rise further if we have a harsh winter.

Sadly, skyrocketing energy prices may not be the worst of it.

A recent presentation by the Midcontinent Independent Systems Operator (MISO), the organization that oversees the regional electric grid that Minnesota belongs to, suggests we could experience rolling blackouts this January because we may not have enough reliable power plants to meet demand. The likelihood of blackouts will increase if we experience a polar vortex like the one we experienced in February 2021.

It gets worse. Even if we have enough reliable power plant capacity on the regional grid, it doesn’t necessarily mean the plants will have enough fuel to make it through the winter. Many coal-fired power plants throughout the country are running low on coal supplies, and analysts project the US has enough natural gas for a normal winter, but a colder than normal winter could trigger blackouts.

It all makes for a white-knuckle winter for grid operators and power companies alike.

Why Blackouts Are Bad

For most people, blackouts are the last thing on their minds. They simply expect the lights to come on at the flip of a switch. But what happens when the power is out? The blackouts that affected Texas in February 2021 demonstrate the devastating consequences that occur when we take the reliability of the electric grid for granted.

A report from the Texas Comptroller’s Office concludes more than 20 million

Texans, nearly 70 percent of the state’s population, lost power during the polar vortex, leaving them without heat or running water for extended periods of time in sub-freezing weather. In some cases the results were deadly.

At least 210 people died during the polar vortex, according to the report. *The Texas Tribune* reports that some died from hypothermia; others from carbon monoxide poisoning while trying to keep warm, either by sitting in their running cars inside garages, or by running grills indoors. Medically vulnerable Texans also died

a warm week in January.

The devastating—and deadly—implications of blackouts give MISO’s warnings considerable urgency.

Potential Capacity Shortfalls

Minnesota belongs to MISO’s regional electric grid with 14 other states and the Canadian province of Manitoba. Electricity consumers use the electrons produced by the power plants on this large, shared grid.

It helps to think of the electric grid as



When we pretend “renewables” are reliable, we all pay the price.

needlessly because they did not have access to lifesaving medical equipment or treatments.

In addition to loss of life, *The Wall Street Journal* reports the cost of property damage from bursting pipes and collapsing roofs will be north of \$18 billion and the Dallas Federal Reserve estimates that the freeze and outage may have cost the Texas economy between \$80 billion and \$130 billion in direct and indirect economic losses.

Winter blackouts in Minnesota could entail even more severe consequences than in Texas because it is likely to be much colder. In Texas, temperatures were in the single digits for much of the polar vortex. In Minnesota, we’d consider that

a giant swimming pool. Each customer uses a small amount of water, and each power plant is like a water pump, helping to maintain the water level. Unfortunately, some of the “pumps” on the electric grid don’t work well during extreme weather events, which is one reason why we could experience blackouts this winter.

In late October, MISO representatives hosted a forum to discuss the readiness of the electric grid going into the winter. The presentation included graphs, displayed on the next page, showing the expected demand for electricity and the expected amount of power plant capacity online to meet that demand under two scenarios.

One scenario is called the “Probable Generation Capacity Scenario,” and the



other is called the “Low Generation Capacity (High Outage) Scenario.” We’ll refer to them as the “Probable scenario” and the “Extreme scenario.”

We’ll try to simplify the industry lingo in the graphs.

The blue bars show the amount of “firm,” or reliable, power plant capacity available on the grid to meet the “load.” The term “load” indicates electricity demand. Each graph shows two scenarios for electricity demand with orange lines on the chart. One of the scenarios shows a “probable load,” and another with a “high load.”

Lastly, the green bars show the amount of “Load Modifying Resources,” or LMRs available to help meet electricity demand during emergency electricity shortage events. The phrase “Load Modifying Resource” denotes customers who have agreed to have their power reduced or shut off to avoid rolling blackouts in emergencies in exchange for reduced electricity prices. They include home heating units, manufacturers, and iron mines.

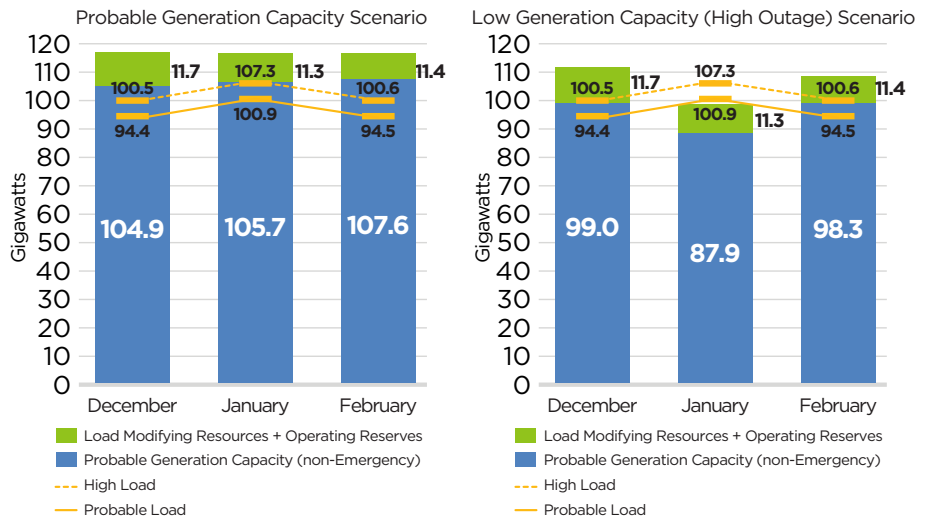
The most basic takeaway from the graphs is this: The blue bars and the green bars, added together, must be able to reach the orange demand lines. If they do not, rolling blackouts could be a possibility this January.

Things appear to be okay in January in the Probable scenario because there seems to be enough generation capacity (blue bar) to meet the probable load. However, LMRs (green bar) would be needed to meet electricity demand in the high load scenario – meaning utilities can only meet demand by turning off power to certain electricity users.

The Extreme scenario for January looks much more dire. It assumes a lower output from traditional coal, natural gas, and nuclear power plants. It also assumes lower-than-expected output from wind turbines because they cannot operate safely at -22°F and are shut down.

As a result, neither the blue bars nor the green bars will be enough to meet the probable demand, and MISO will be far short of meeting electricity demand in the high load scenario. In this situation, MISO would try to secure electricity imports from surrounding regional grids; if they aren’t available, it means blackouts.

A combination of both high load and high outages could drive operational challenges for the winter 2021-2022 season



The low generation capacity of January highlights outage conditions experienced on the MISO system during the polar vortex of 2019.

“Phantom Firm” Capacity Resources

As if these graphs were not alarming enough, especially those in the Extreme scenario, there is also a potential problem with MISO’s accounting: they could be overestimating how much electricity will be generated by wind turbines when we need power the most, meaning capacity shortages may be even worse than MISO is suggesting.

The blue bars are supposed to show the amount of “firm” capacity on the grid, which is what MISO *expects* each energy source to reliably produce during peak electricity demand.

However, the blue bars count on some contribution from wind turbines for their “firm” power plant estimates, but wind generation is never really “firm.” Because

wind is dependent upon the weather, the output from wind turbines could exceed MISO’s estimates, or the wind turbines could be producing significantly less.

That’s why we call wind turbines in MISO’s blue-bar calculations “phantom firm” resources. They exist on paper, but they may or may not exist in real life when the chips are down. Grid operators in Texas also overestimated the amount of electricity wind turbines would produce during the polar vortex of 2021.

The results were historic blackouts.

Same Gamble, Different Grid

In the Probable scenario, MISO estimates wind turbines will produce about 17 percent of their potential output when electricity is needed most. However, MISO’s wind fleet fell far short of this



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estimate during several hours during the polar vortex of 2021. In fact, wind generation was nearly 4.5 times lower than anticipated at noon on February 19.

In Texas, the poor performance of wind generation in February 2021 contributed to the catastrophic blackouts. Grid operators at the Electric Reliability Council of Texas (ERCOT) expected wind turbines to produce about 24.6 percent of their potential output during a period of peak electricity demand. But at some points during the polar vortex, the wind turbines in ERCOT delivered just 2.6 percent of their potential output.

Many factors contributed to the blackouts in Texas, but ERCOT's egregious miscalculation regarding wind performance was devastating. MISO should know better than to rely on wind facilities to keep the lights on as part of their planning process. When we pretend "renewables" are reliable, we all pay the price.

Coal Shortages Compound the Problems

MISO's potential power plant capacity problem is compounded by the fact that many coal-fired power plants are running low on fuel, threatening to render one of the most reliable parts of the electric grid obsolete when we need electricity the most.

This is a huge problem because coal provided more than half of the electricity used during the 2021 polar vortex. Without coal, the coal-fired power plants MISO is depending on to generate electricity this winter will not be able to rise to the occasion.

The coal shortages we face stem from high demand and restricted supplies.

Natural gas prices have increased substantially compared to previous years

because of low supplies, causing electric companies to burn more coal instead. Some analysts expected coal consumption to be 21 percent higher in 2021, compared to 2020.

While the demand for coal has increased, the supply has not. Years of policies designed to limit the consumption of coal and hamper coal production have resulted in falling mine outputs. Supply chain problems have also prevented coal companies from delivering more fuel to the power plants that want it. S&P Global estimates that pre-winter coal inventories are roughly 30 percent lower this season compared to last season.

Natural Gas Supplies Are Tight, Too

Natural gas also is in short supply. The U.S. Energy Information Administration (EIA) estimates that natural gas inventories are 4.5 percent lower in the Midwest this year than they were last year, and supplies are 7.8 percent lower, nationally.

Low natural gas supplies are a dual threat to Minnesota's energy system because we use natural gas for home heating and generating electricity.

EIA data show 66 percent of Minnesotans heat their homes with natural gas. In total, 29 percent of the natural gas used in our state is used for home heating and 18 percent is used for electricity generation. When the price of natural gas increases, both end-uses get more expensive. If we have supply shortages, both will be affected.

James Shrewsbury, an executive at a gas and power hedge fund, told *Bloomberg* the U.S. has enough gas to get through a normal winter. But he cautioned that sustained low temperatures could create gas shortages. "If we get a prolonged cold this winter, there will be problems."

Ernie Thrasher, the chief executive officer of Xcoal Energy & Resources LLC, told *Bloomberg* that utility executives have told him they're anxious that fuel shortages this winter could trigger blackouts.

When gas supplies are short, utilities usually switch back to

burning coal, but that may not be an option this year due to low coal inventories.

The Future Looks Bleak

Unfortunately, things are likely to get worse before they get better. While market forces might resolve this year's fuel shortages in future years, misguided energy policies from electric companies and state and federal policymakers likely mean we will have fewer reliable power plants left on the grid to supply the electricity we need, when we need it most.

For example, Xcel Energy is seeking to shut down all of their existing coal-fired power plants by 2030. This would not be as much of a problem if Xcel were replacing its coal plants with new nuclear plants, solar panels, some natural gas plants, and electricity imports from MISO to meet its electricity needs when the wind isn't blowing and the sun isn't shining.

This means Xcel is relying on MISO for reliable power plant capacity that we already know it doesn't have. This is the same exact energy policy that California has been implementing for a decade, and it doesn't work.

How Do We Fix This?

Things will only get better once policymakers prioritize reliable energy first and affordability second. Whether an energy source is carbon free must be the third consideration.

Pressuring our lawmakers, electric companies, and members of the Minnesota Public Utilities Commission to keep our existing coal, natural gas, and nuclear power plants open for the remainder of their useful lifetimes is a good start. We also need to legalize building new nuclear power plants in Minnesota because only nuclear power can provide carbon-free electricity without sacrificing reliability or affordability.

For too long, politicians and the public have romanticized the idea of a grid powered by wind and solar power. We may not have blackouts this winter, but until we start thinking rationally about energy policy again, it's probably a good idea to have some flashlights, blankets, and dehydrated meals handy. ★



Mitch Rolling is a policy analyst at Center of the American Experiment. He has written extensively on renewable energy and electricity policy. Mitch graduated from the University of Minnesota with a degree in history and Jewish studies.



≡ GOVERNMENT

THE 2021 GOLDEN TURKEY AWARD

Minnesotans
vote for the
worst examples
of government
spending.

By Bill Walsh

The first three winners of American Experiment's Golden Turkey Award have been a morgue, a rest stop, and now a park and ride facility — apparently Minnesotans don't like to waste money on government buildings.

When online voting closed just before Thanksgiving, the Newport Transit Center beat out three other nominees to win the third Golden Turkey Award. This poorly planned park-and-ride facility in Newport cost \$6.45 million to build and sits empty just five years after opening.

The Golden Turkey Award is a light-hearted contest to bring attention to the budget and allow Minnesotans to weigh in on the silliest spending of the year. Past winners include Gov. Tim Walz's \$6.9 million unused COVID morgue and the extravagant Goose Creek rest stop on Highway 35 with its curved glass and Brazilian wood architecture.

The Winner The Buses to Nowhere

The Met Council's \$6.45 million Newport Transit Center sits empty and unused.

For the first time, the Golden Turkey award committee allowed nominations from the public and Minnesotans did not disappoint with their ideas. The most popular category of the public nominees was wasteful transit projects such as the Rush Line in White Bear Lake or Southwest light rail in Eden Prairie. Representing all wasteful transit boondoggles, the Newport Transit Station won the Fall 2021 Golden Turkey award.

The Newport Transit Station opened in November 2014 with a cost to taxpayers of \$6.45 million. In July 2017 the *Pioneer Press* called it the "Hilton Hotel of bus stops" in an article titled "The east metro's most expensive park-and-ride station is also the least used." At that time, the Met Council boasted ridership of eight passengers a day on the bus lines serving the Newport Transit Station. The two routes serving the station go to downtown Minneapolis and downtown St. Paul. The Met Council could only dream of such high numbers today because in the post-COVID world, there are no buses serving this sprawling transit stop. So its 150-car parking lot is empty and desolate.

As in all of these transit projects, urban planners sat in their office cubicles and dreamed of "transit-

oriented development" along the line to boost ridership and attract people to new high-density neighborhoods with coffee shops and brewpubs. Except commuters in Washington County, like every other suburban area served by the Met Council, like to drive cars and don't generally work in the downtowns, especially post-COVID. So far, no new development has occurred apart from one apartment building overlooking the empty lot.

The bottom fell out of transit ridership during the pandemic and while highway traffic has returned to pre-COVID levels, the same cannot be said for buses and trains. The Met Council is silent on this giant goose egg, as they wait for a Minnesota Legislature-directed study from the University of Minnesota analyzing changes in ridership, public transportation demand, and revenue and expenditures.

"The problem with the Newport bus stop is that no buses actually stop there," said John Hinderaker, president of Center of the American Experiment. "This project was doomed from the start with poor ridership numbers and when the pandemic hit, Metro Transit locked the door and stopped sending buses."

Which leaves the Newport Transit Station with an empty 150-car parking lot and a Golden Turkey trophy.

"The problem with the Newport bus stop is that no buses actually stop there."

—John Hinderaker,
president of Center of
the American Experiment



\$6.54 million for unused transit center.



1st Runnerup 'Violence Interrupters'

Minneapolis paid citizen groups \$2.5 million to patrol neighborhoods instead of police.

One of the most visible responses to the dramatic increase in violent crime in Minneapolis has been the city's attempt to "interrupt" crime by hiring citizen groups in brightly-colored t-shirts to patrol the streets. Grants to hire teams of well-meaning "violence interrupters" were awarded to seven local community organizations with a \$2.5 million annual appropriation from the city council. Team members are paid \$30 per hour and work five-hour shifts, six nights a week patrolling the streets on foot.

In more peaceful times, working with community groups to prevent violence sounds like a worthy endeavor. But in Minneapolis circa 2021, diverting \$2.5 million a year from the police budget for anything that doesn't involve arresting and prosecuting the people committing violent crime is insane. Which is why this expenditure was nominated for a Golden Turkey award.

When the program was launched, City Council Representative Phillippe Cunningham told WCCO TV: "The intention is for this to actually stop the violence, stop the guns from being shot so that the police don't even have to show up in the first place." Perhaps support for this program is one of the reasons Cunningham lost his seat on the council on November 2nd.

One "violence interrupter" was fired after a video emerged showing him beating up a customer at Cub Foods. Another was arrested for assaulting a customer at a separate Cub Foods store. Cub recently replaced off-duty police officers with peace workers for store security.

Even liberals who supported the abolish-the-police movement are not convinced the violence interrupter approach is working. One of the groups receiving funding, We Push for Peace, was recently ridiculed on Twitter for "standing by the food trucks and bars in Uptown eating."

The headlines and murder rate do not support city officials' claim that the violence interrupter idea is an evidence-based scientific approach to combat, let alone "interrupt" violence. In a telling sign, the Minneapolis violence interrupters were abruptly pulled from the streets in November 2020 as violence intensified. The city said it was due to cold weather (cough cough).

As the city experienced record crime rates for murder, carjacking and other violent behavior, Minneapolis doubled down on the 2020 pilot program and put teams of violence interrupters back on the streets for the summer of 2021. The epic failure of this program is worthy of a Shakespearean tragedy and a Golden Turkey nomination.



\$2.5 million for neighborhood watch



2nd Runnerup Bridging History

The legislature spends \$6.2 Million to plan a \$500 million land bridge over I-94.

You know how your radio goes out when you drive through the Lowry Hill tunnel? Imagine another tunnel twice as long running for a half mile on I-94 in St. Paul. That's right. The legislature is looking at a \$500 million "land bridge" over I-94 from Lexington Avenue to the Capitol. Of course, the \$500 million is only an estimate. It's a safe bet the final cost of the infrastructure necessary to cover a half mile of interstate will double faster than you can say "Southwest Light Rail."



\$6.2 million to plan for \$500 million

It's being built to try to right a wrong that allegedly happened 60 years ago when the highway was built through a mostly black neighborhood. What could possibly go wrong when government tries to "right past wrongs" and "make up for long overdue social justice" with a \$500 million project? Of course, the highway ran through white neighborhoods too, but no "land bridges" are planned in those areas.

The Minnesota Legislature tucked \$6.2 million into the 2021 Tax Bill for project development of a "land bridge freeway lid over marked Interstate Highway 94 in a portion of the segment from Lexington Avenue to Rice Street in St. Paul."

This is always how these projects begin: with a relatively small appropriation to set up an office, hire staff, study the problem, survey "stakeholders" and get "preliminary engineering" done. There is always preliminary engineering.

The problem is, once we spend that money, they come back for more, saying: “We can’t let the first money go to waste, we have to keep going.” And before long, it’s a billion dollars.

The proposed tunnel will be over a half-mile long, twice the length of the Lowry Hill tunnel in Minneapolis. Several questions remain unanswered, including where to reroute trucks carrying hazardous materials and how to prevent car accidents, since tunnels are notoriously dangerous.

Perhaps the biggest question is how planners will accomplish their goal of creating an “equitable future” for the site and avoid gentrification? In other words, how do you recreate an historic black neighborhood if a bunch of white millennials end up renting all the new apartments? A rift has already developed among community leaders over this challenge.

The sheer magnitude of this project and its Critical Race Theory-inspired purpose earned the Highway 94 land bridge a Golden Turkey award nomination.

3rd Runnerup Scaring the Eagles

The ‘U’ gets a quarter million to find a noise that will deter the birds from flying into windmills.

We return to one of our favorite silly spending funding sources, the Legislative Citizen Commission on Minnesota Resources (LCCMR) for another Golden Turkey nominee. This one is for a \$261,000 grant to the University of Minnesota to design and implement “an acoustic deterrence protocol to discourage bald eagles from entering hazardous air space near wind energy installations.” In other words, we need to discover a noise annoying enough to scare bald eagles from their untimely demise at the hands of wind turbine blades moving up to 100 miles per hour.

Don’t get us wrong, the Golden Turkey award committee is full of bird lovers – we named our award for one, after all. We also love America and believe in protecting bald eagles. But this approach is backwards. The problem of bald eagles running into windmills is largely created by governments subsidizing the proliferation of windmills. Their application for grant funding begins with the claim: “Wind energy is a cost competitive, clean



\$261,000 for noise

Golden Oldies

What happened to past Golden Turkeys?



Walz morgue for sale at \$1.25 million loss.

Minnesotans recognized the wasteful spending on Tim Walz’s morgue even as COVID cases grew in 2020 during the contest. After using the morgue to create a statewide panic that forced people to retreat into their homes for months, Walz recently announced they are looking to sell the morgue and taxpayers stand to lose money on our ill-fated purchase.

With \$6.9 million invested and a proposed sale price of \$5,650,000, the state stands to lose over a million dollars when the dust settles. But what price should we put on the fear needed to convince Minnesotans to give up our freedoms, close businesses and schools, and force children to wear masks? The Walz morgue will go down in history as a monument to both stupid spending and poor leadership in a crisis.

Duluth doubles down on Spirit Mountain ski slope.

The Spirit Mountain ski hill in Duluth came in fourth place in the Spring 2021 Golden Turkey contest, but a new proposal from Mayor Emily Larson to double down on failure with another \$24 million could make this boondoggle the first two-time nominee in Golden Turkey history.

Mayor Larson announced last week an ambitious \$24 million plan to revitalize Spirit Mountain, saying, “We cannot get out of this, so we are going to get into it.” Brilliant. The great economic concept of “if we build it, they will come” might work in the movies, but not with government subsidies. No bank would consider loaning a ski hill with Spirit Mountain’s track record any money. Minnesota taxpayers shouldn’t either.

energy source that offers benefits for Minnesota.” No, it isn’t.

No one has written more about the folly of alternative energy than American Experiment. Without government subsidies, the industry would still consist of a few scattered windmills on small hobby farms run by hippies. Xcel Energy’s recent announcement of a 22 percent rate hike is largely needed to build out the costly infrastructure necessary to connect these bald eagle killing machines to the grid.

For these obvious reasons, this project was nominated for a Golden Turkey award. ★



≡ Q&A

“Garage Logic”

Columnist and podcaster **Joe Soucheray** takes the Center’s **John Hinderaker** on a tour of Gumption County.



Left to right:
Joe Soucheray,
Matt "The Rookie" Michalski,
Chris Reuvers and
Kenny Olson.

When KSTP cancelled Joe Soucheray's "Garage Logic" radio show three years ago, his legion of local listeners fretted that they had lost their daily source of common-sense conservative commentary and good humor. Their worries were short-lived. "Garage Logic" came roaring back as a hugely successful podcast that in October notched more than one million downloads.

Soucheray began his career as a sportswriter for the Minneapolis Tribune in the early '70s before moving across the river to work as a columnist for the Saint Paul Pioneer Press, where he remains today. He launched his radio career in 1980 as host of Monday Night Sports Talk on KSTP radio, along with co-host Patrick Reusse. He became a fulltime radio host in 1993, quickly developing the "Garage Logic" persona. American Experiment President John Hinderaker caught up with him for an interview on the day Soucheray had just finished recording his 738th show.

At some point you made a transition from being a newspaper columnist, to being a newspaper columnist who had his own radio show. I think you were a pioneer, moving on to the radio.

That came about because I covered the 1980 Winter Olympics. Those games really captured Minnesota because of the hockey team. Most of the guys were from Minnesota and they beat the dreaded USSR, then won the gold medal. When we came back to town, I wasn't the only one who was contacted by other media, I think a lot of us were. KSTP called me and said, "Would you like to come on the air and talk about your experiences covering those winter games in Lake Placid?" And I said, "Sure." It grew quickly into a weekly sports talk show that became known as "Monday Night Sports Talk" and that all stems from my exposure at the Olympics.

Describe how that developed into "Garage Logic."

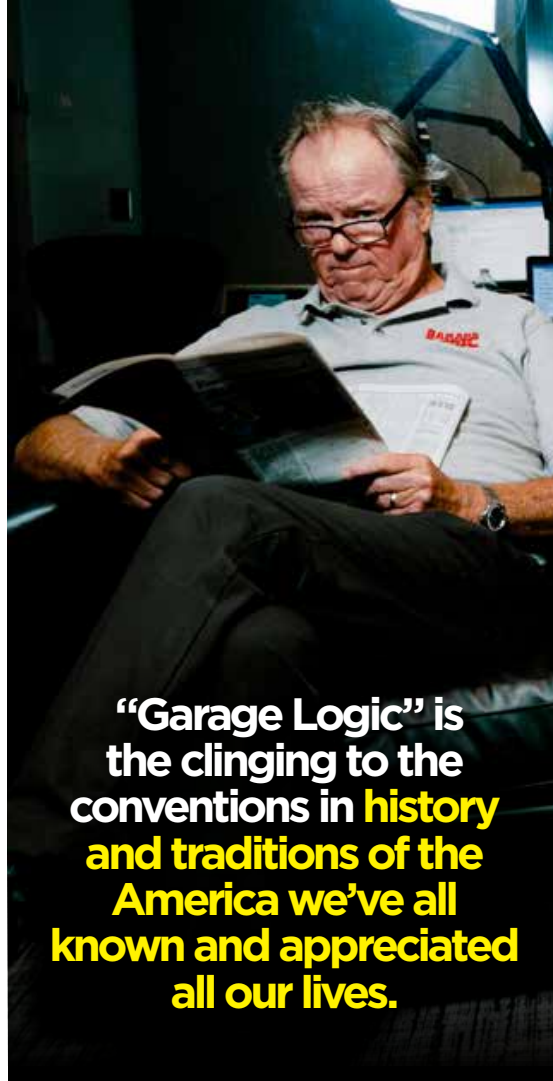
As I grew more and more comfortable doing the sports talk show, I would occasionally be asked if I wanted to fill in for somebody if they would need some

days off, most principally Barbara Carlson. Then I was offered my own show and I gladly took it. I had kids that needed money for college, and I was at a critical time in my life when I needed to boost my income. At the beginning, it was just called, “The Joe Soucheray Show” and it was just going to be like any other talk show on the air, I guess. The typical cliché topics and politics, and what have you. We started the daily show in April of ‘93, and by the fall of ‘93, so just four or five months later, we were going to start interviewing political candidates, just like every other show.

But for some reason we got the idea to interview them in people’s garages. Let’s put these political aspirants on the scene of the people who actually pay the bills; you can see their lawn mower and their rakes and their step ladders. I saw the garage as a symbol of work life and what have you. And that caught on; people volunteering their garages. So we interviewed mayoral candidates in somebody’s garage in South Minneapolis, and then next week it was in somebody’s garage in North Oaks. And it was from that, that the term “Garage Logic” sprang. I can’t remember exactly how or why, but that’s where it came from.

I interpret “Garage Logic” as basically meaning the kind of common sense some guys might talk about as they’re hanging out or maybe working in their garage.

Exactly. The underlying phrase was always, “We can figure out things in the garage that we don’t need the government to figure out for us.” That theme stuck and it grew, and as a byproduct of that, we began to imagine the town. And then the next thing you know a real talented artist named Greg Holcomb began drawing the town and coming up with maps and then characters developed. Within two to three years it was really picking up steam. I was really enjoying the sense that it was completely different from anything else on radio. I suppose there are inevitable comparisons to Lake



“Garage Logic” is the clinging to the conventions in history and traditions of the America we’ve all known and appreciated all our lives.

Right. KSTP developed a network and we were on in the Dakotas, much of Minnesota, and some stations in Wisconsin.

But then changes were coming to the radio industry and coming to KSTP. A couple years ago, the “Garage Logic” show evolved from being a daily radio program into being a podcast. Describe that process.

I’ve been doing it so long, I guess I was on the ground floor to witness the weakening of AM radio, if not its demise. I think that’s true all across the country. There are 25-year-olds who probably have never listened to an AM radio station because they have so many different ways now to get news and music and entertainment.

I’ll tell you something interesting. As the ratings plummeted for AM radio stations, including my show, it just didn’t jibe with the anecdotal evidence I was getting that “Garage Logic” was still wildly popular. No matter where I was in the country,

I would run into people who would tell me, “Hey, love the show, man.” “Hi, Mayor.” “Hey, flashlight king.” “Hello, fireworks commissioner.” This was happening all over. I always had this feeling that this rating mechanism was deceptive. It was not capturing the people who were actually listening.

So cut to the chase. We go to podcast and the numbers started rising fairly quickly. In October of this year, we surpassed a million downloads for the month, about 1,150,000. It clarified for me that we were anecdotally still very popular. It wasn’t being measured the way you could now measure those things with a podcast.

You mentioned that you took the “Garage Logic” concept right over into the podcast. You also took your crew.

There have been some changes. Rookie’s not on every day and John Heidt’s not on every day, but for the most part, we kept the crew. It’s a crew show. I might be the mayor and I might run the thing, but I’m really happy to have those guys around me.

Wobegon, but I’ve never worried about being remotely close to that kind of show.

Why do you think the “Garage Logic” theme resonated so much with Minnesotans? Is there just a hunger for a daily dose of common sense?

I’ve thought a lot about that. One answer I’ve come up with is that to write a good newspaper column, it’s my belief that you need to be aware of what people are talking about around their own kitchen tables. I transfer that to radio. To do a unique radio show you’ve got to be aware of what concerns those people. You just don’t come in and do trivia and kill time. I feel that we’re doing a show that’s based on being in touch with what people are dealing with in their own lives.

So your show started out on KSTP radio, and I think spread pretty quickly to where it was on many radio stations across the state of Minnesota?

What are the logistics of recording the podcast?

Remember I said that they weren't even planning to get into the podcast business. Well, the next thing you know, they built us a podcast studio. It's really cool. The show is taped in the Hubbard building, the KSTP building, where we have our own "Garage Logic" podcast studio. I do all my prep work pretty much at home and then I finish the prep work at the studio, and then we record. We record every day between noon and whenever we want to be done with it. The podcast is so freeing. It's just amazing. You could be talking to an author and you never have to worry about stopping for a time to advertise. You never have to worry about a time-out for anything. You're completely the master of your own fate. It's just a fun way to do it.

The podcast sounds a lot like your old radio show. It's got a very similar feel, but as you say, it is completely unconstrained by the constant ins and outs that we get in radio.

The other main difference is we don't take phone calls. We're thinking about how we could make that happen. I think taking phone calls brings a lot to a show like ours. I'm sure there are many listeners who miss the ability to participate. We're still experimenting with how to broaden its scope.

I can't believe the way podcasting has taken off.

Do you know how many of these damn things there are in the country? 740,000. You go to Best Buy and buy a machine. Bing, bang, boom. You think you're a podcaster.

What's enjoyable for the listeners is the whole pod, all that means is play-on-demand. You can go to the dry cleaners, hit pause, come back out. You haven't missed anything. You can also listen to it whenever you want. I didn't know that I would like it this much. I do. I love it.

And your podcast, as you say, there are literally hundreds of thousands of podcasts, but yours, the "Garage Logic" podcast is one of the most popular.

We're very fortunate. We've stumbled

on something and we don't want to over-analyze it. So we just go with the flow here. We know what we've got and we keep doing it.

That's another thing that distinguishes our podcast. We do it every day. Most podcasts are once a week or two times a week. We do it every single day because we wanted to mimic the radio show.

One of the early challenges for podcasts was how to monetize them. But you guys have been able to monetize the "Garage Logic" podcast pretty well, haven't you?

Very well, but that's among the things we keep tinkering with. I'm sure the big hitters like Joe Rogan are heavily monetized. Closer to home, I think we've probably done the best job of getting it monetized.

Another advantage of a podcast is that listeners can download it anywhere. It's enabled "Garage Logic" to reach more of a national audience.

Absolutely, I can't believe the listeners we have. We might be capturing a lot of Minnesotans who have moved away and like our show for the way it keeps them in touch.

While you continue to evolve with technology, the basic theme of "Garage Logic" hasn't changed, has it? You guys turn a gimlet eye on the foolishness and the lack of common sense that we see from government officials, but also from a lot of sources in today's world.

Absolutely. I've called it "the mystery" for many years. The United States seems to be in the throes of a mystery. There's an attempt by a faction of Americans to bring about a country that we don't even recognize. "Garage Logic" is the clinging to the conventions in history and traditions of the America we've all known and appreciated all our lives. We reject the failed academy and the nonsense that comes out of the academy system, the university system. We reject artificial attempts to create equity. There's nothing wrong with equity, we just don't like the artificial and whimsical attempts to bring it about. We

believe criminals should be caught and suffer consequences for their crimes. I could go on and on and on and on. But "Garage Logic" is basically a look at America, that many Americans will not let go of, nor should they.

It's interesting that after all the years you've been doing "Garage Logic" the ideas you just outlined are right in the thick of what is going on in our country. You see recent elections in Virginia and New Jersey. You see what's going on now in the schools and debates over school boards. "Garage Logic" really is as timely as it ever has been.

Isn't that something? It's more timely now than it was when we started the podcast three years ago. I can't keep up with the need to reinforce a belief in the conventions and traditions and customs of capitalism, truth and justice, and holding people accountable. I think what's being done to black Americans, particularly in the educational system, is unconscionable. It's just unconscionable that you have a failed academy that's attempting to make black children less than they are. I have begged black parents, for example, to go to their school boards and quit telling these people to do you a favor. They're not helping your child. Your child's as capable as anybody else of success and achievement, whatever. And for those kids to be told, "Oh, don't worry. You don't have to have your test in on time" or, "Don't worry, we'll ignore that grade and give you another chance to do it." What utter BS. It harms the child. It terrifies me that every day when we get up, there's something new for us to worry about.

You and the crew at "Garage Logic" are not going to run out of stories to take on and to lampoon and to respond to.

I don't think so. Red Smith, the great, now late, *New York Times* sports columnist was always asked, "Red, how in the hell are you writing six columns a week?" And Red said, "God is good." It's the same with us. Why are you doing a podcast every day? Well, God is good. We're not ever short of anything to talk about. ★



The
THINKING
MINNESOTA
POLL

DON'T SPEND IT

Minnesotans want Walz to use the surplus for tax cuts, a rebate, and paying state debt.

And they want him to stop violent crime.

Minnesotans used the most recent version of the Thinking Minnesota poll to deliver some pointed messages to Gov. Tim Walz and other policymakers as they head into the 2022 session of the Minnesota legislature. Top among them are don't squander the record \$7.7 billion budget surplus and make public safety an urgent priority.

The poll was conducted by Meeting Street Insights, a nationally recognized polling operation based in Charleston, South Carolina. Using a mix of cell phones and landline phones, the company interviewed 500 registered voters across Minnesota from November

30 to December 2. The margin of error is ± 4.38 percent.

The top issue for the 2022 legislature will be what to do with a \$7.7 billion budget surplus, the largest in state history, representing 15 percent of the entire two-year state budget. The projected surplus already places over \$3 billion in the bank. If Gov. Tim Walz and legislators are looking for guidance on the surplus, 57 percent of poll respondents chose permanent tax cuts (24 percent), a one-time tax rebate (12 percent), or paying off state debt (21 percent) when asked how the 2022 state legislature should use the surplus. Only 28 percent chose greater investments in government



FIGURE 1: Most Minnesotans want the legislature to take the fiscally conservative route with the surplus (tax cuts, tax rebates, or paying off state debt).

“As you may know, the state of Minnesota will likely have the largest budget surplus in history. With this in mind, how should the 2022 state legislature use the state surplus?”

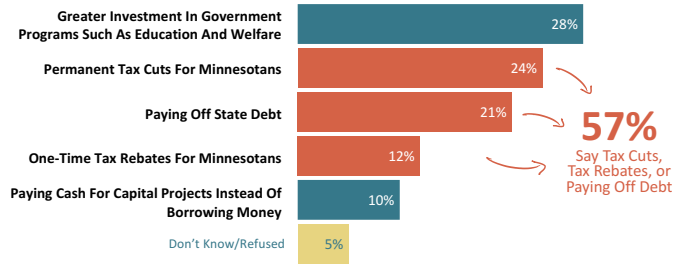


FIGURE 2: Spending the surplus on government programs is clearly a partisan-driven (Democrat-driven) idea. Few non-Democratic voters in the state support it.

“As you may know, the state of Minnesota will likely have the largest budget surplus in history. With this in mind, how should the 2022 state legislature use the state surplus?”

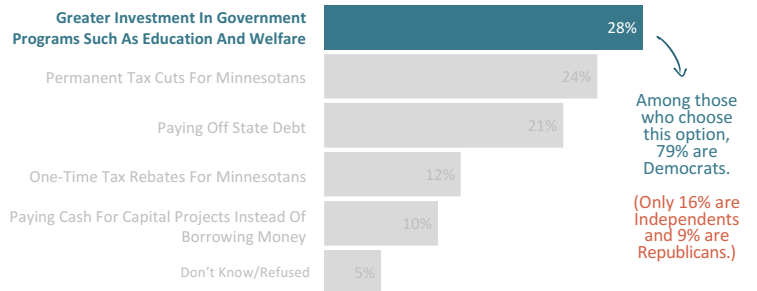
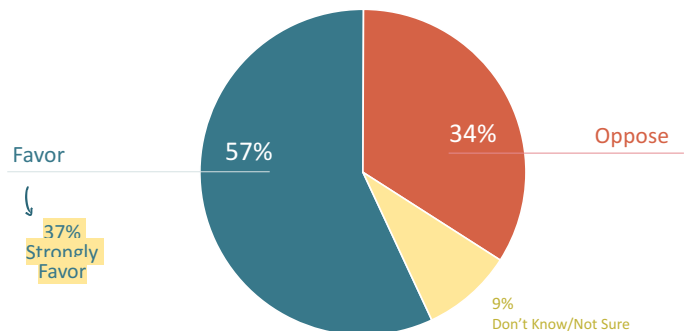


FIGURE 3: A majority of voters would favor strengthening mandatory minimum laws.

“As you may know, right now, many judges and prosecutors are not sentencing dangerous criminals using the mandatory minimum sentences set by the legislature. Would you FAVOR or OPPOSE strengthening the law to limit the ability of judges to deviate from mandatory minimum sentencing?”



programs such as education and welfare.

“The message for policymakers today on the surplus is clear — no more spending,” said John Hinderaker, president of Center of the American Experiment. “Between the federal COVID money and now this overcollection of taxes, Minnesotans understand

About the pollster

Rob Autry, founder of Meeting Street Insights, is one of the nation's leading pollsters and research strategists.



FIGURE 4: About two-thirds of voters—including a majority of Democrats—would support a three strikes law for violent crimes committed with a firearm.

“And, would you FAVOR or OPPOSE a criminal sentencing structure known as a three strikes law for violent crimes committed with a firearm?”

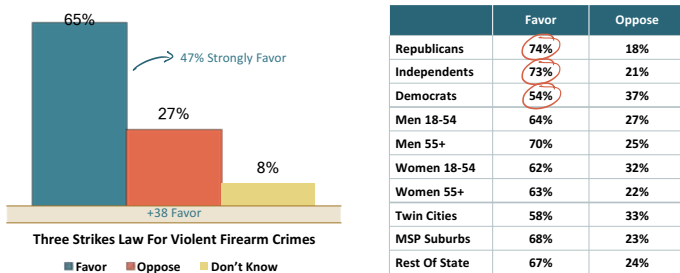


FIGURE 5: More Minnesotans favor using some of the surplus to add prison space to hold repeat violent offenders.

“As a way to address crime and public safety concerns, would you FAVOR or OPPOSE using some of the budget surplus to add more prison space to hold repeat violent offenders?”

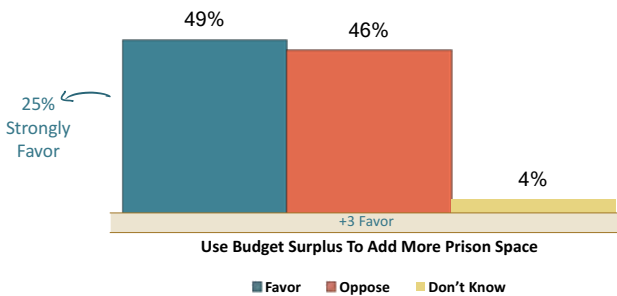
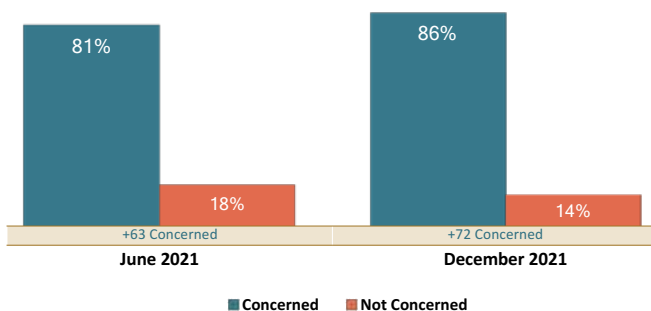


FIGURE 6: Concern over crime in Minnesota remains very high, inching up five points since June.

“How concerned are you personally about the level of crime here in Minnesota?”



“The message for policymakers today on the surplus is clear — no more spending,” said John Hinderaker, president of Center of the American Experiment. **“Between the federal COVID money and now this overcollection of taxes, Minnesotans understand it’s time for fiscal restraint at the Capitol in 2022.”**

it’s time for fiscal restraint at the Capitol in 2022.”

While most Minnesotans chose fiscal responsibility for the surplus, Democrats stood out in the poll by overwhelmingly choosing more spending on government programs such as education and welfare.

Crime

Another emerging issue at the Capitol is crime and punishment. American Experiment is supporting an aggressive agenda in this area to address the violent crime wave now bleeding out from Minneapolis and St. Paul into the suburbs. That agenda is backed up by recent polling.

It starts with shutting down the revolving door that spits Minnesota criminals right back on the street after committing felony after felony, many times with a gun. Mandatory minimum sentences found in state law are no match for weak judges who bend over backwards to find exceptions. We asked Minnesotans if they favored limiting judges’ ability to deviate from mandatory minimums and 57 percent said “yes.”

Another popular reform to the Minnesota statutes would be adding a strong three strikes law for crimes committed with a dangerous weapon, one that judges and prosecutors could not ignore. Support for a three strikes law was favored by 65 percent in our recent poll.

Tougher laws and sentencing will lead to longer prison stays and more costs, so we asked respondents if they were willing to use part of the budget surplus to add more prison space for repeat violent offenders. 49 percent favored this approach, 25 percent strongly favored it.

Minnesotans remain very concerned about crime and desperately want leaders like Gov. Walz to address the issue. 86 percent told us they were personally concerned about the level of crime in the state, up from 81 percent just six months ago.

We asked respondents what the top priority should be for the governor in 2022 and the number one answer was responding to the surge in violent crime, with twice as many people choosing crime prevention over responding to the COVID pandemic.

“There is a disturbing disconnect between policymakers such as Tim Walz and the people of Minnesota regarding crime and punishment,” Hinderaker said. “The people expect government to keep them safe, and they’re willing to pay for it.”



Education

Since our founding in 1990, education, specifically school choice, has been at the top of every reform agenda published by American Experiment. School choice has also consistently enjoyed strong support from Minnesotans in the *Thinking Minnesota* poll. In December 2019, 71 percent of respondents supported school choice for students in failing schools. In March 2020, 77 percent supported early learning scholarships targeting disadvantaged students.

After a year of distance learning with parents watching and listening to Zoom classes, academic freedom and transparency emerged as an issue for the 2022 legislative session. In our recent poll, 69 percent of respondents believe public schools in Minnesota should be required to make all learning materials and textbooks available on their websites enabling parents to better understand what's being taught to their children.

Energy

Energy policy is another area where American Experiment's agenda is widely supported by Minnesotans. Our top priority at the Capitol has been and will continue to be fighting back against renewable energy mandates that drive up the cost of energy for Minnesota families. Those mandates have caused Minnesota's electricity prices to rise 2.7 times faster than the national average.

Despite strong public support, two very clean sources of energy, hydroelectric and nuclear power, have been overlooked by Minnesota policymakers in favor of wind and solar. Further, hydroelectric power we already buy from Canada currently does not count as "renewable," even though 81 percent of Minnesotans think it should. *Thinking Minnesota* poll respondents have also consistently supported lifting the unscientific ban on building new nuclear plants, because they recognize nuclear power is reliable, affordable, and has the added bonus of not emitting carbon dioxide.

Lastly, American Experiment will continue to fight Walz's push to bring California emissions standards to Minnesota. California's latest idea is a ban on small gas-powered equipment like snow blowers and lawn mowers. Minnesotans overwhelmingly oppose following California's lead on this ban with 72 percent opposing it and 51 percent strongly opposing it. ★

Figure 7: Minnesota voters want Governor Walz to focus on responding to the surge in violent crime, followed by jobs and the economy.

"What should Governor Tim Walz's top priority be for 2022?"

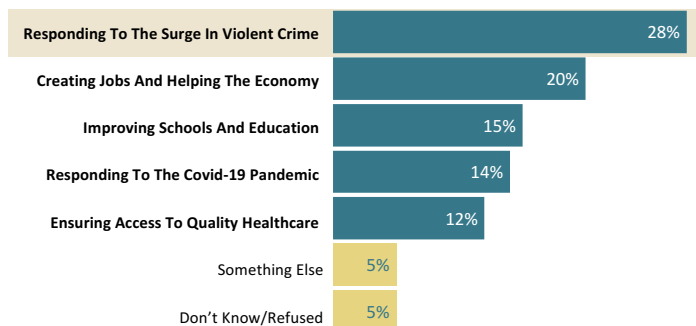


FIGURE 8: There is broad agreement among Minnesota voters that public schools should be required to make all learning materials available to the public.

"Thinking again about education, should public schools in Minnesota be required to make all learning materials, including class descriptions, textbooks, and course assignments, available to the public on their website?"

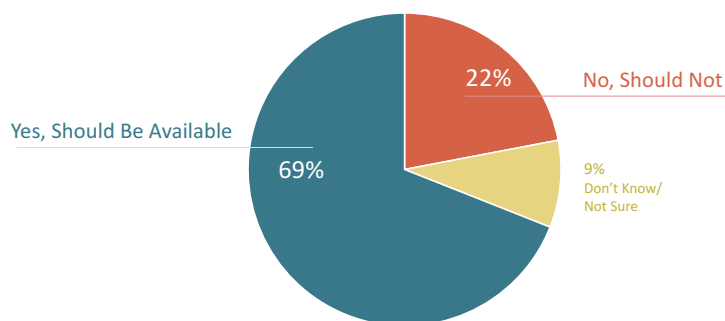
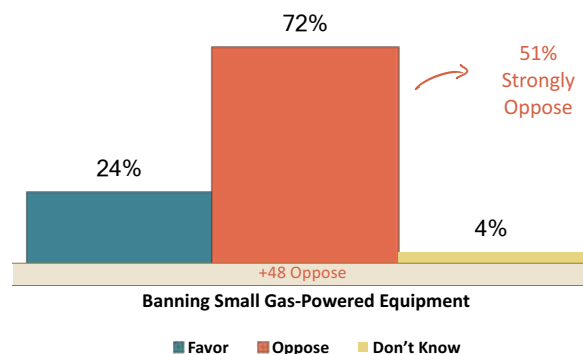


FIGURE 9: Nearly three-quarters of voters oppose following California's lead and banning small gas-powered equipment.

"In an effort to reduce pollution, California recently passed a ban on small gas-powered equipment. Knowing this, would you SUPPORT or OPPOSE Minnesota following California's lead and banning the use of gas-powered lawn mowers, snow blowers, and generators?"





≡ POLICY BLUEPRINT 2022

REDUCE THE COST OF GOVERNMENT

The legislature should fight for tax cuts, students, transparent healthcare, and reliable, affordable energy.

BY
THE
AMERICAN
EXPERIMENT
STAFF

M

innesota's economy is not as strong as some think.

Since 2020, Minnesota has slipped a place, to 46th, on the Tax Foundation's 2021 State Business Tax Climate Index. This was largely driven by our state's high corporate tax rates, where we rank 4th highest in the United States, and our individual taxes, where we rank 5th highest. We need to see these rates come down if we want our state to be competitive.

Our latest *Thinking Minnesota* poll found support for this approach: 24 percent of Minnesotans chose permanent tax cuts as the best use of an expected budget surplus. The poll also found strong support (12 percent) for a one-time tax rebate using the surplus. It turns out the "give it back" message is very popular in Minnesota, no matter which way the legislature decides to go.

Understanding that Gov. Tim Walz has shown no interest in cutting tax rates, there are smaller steps that could move Minnesota from 46th to 40th overall on the Tax Foundation's index:

- *Abolish Minnesota's estate tax.* Minnesota is one of 12 states and the District of Columbia to impose estate taxes, and we tax estates more heavily than most.
- *Eliminate the state's marriage penalty tax.* Minnesota is one of 23 states and the District of Columbia that still have marriage penalties built into their tax codes.
- *Abolish Minnesota's Alternative Minimum Tax (AMT) for individuals.* Minnesota is one of just five states that imposes an individual AMT.
- *Eliminate Minnesota's Alternative Minimum Tax for corporations.* The Corporate AMT exists to prevent corporations from reducing their corporate income tax liability beyond a certain level, and Minnesota is one of only five states which imposes one.
- *Conform to the federal depletion schedule.* Minnesota is one of 13 states that doesn't fully conform to the federal system for the deduction for depletion.

Across the country, 11 states lowered tax rates in 2021 for individuals and corporations, including next door in Wisconsin. Democratic Governor Tony Evers signed a budget bill that lowered the second highest rate for Wisconsin income taxpayers from 6.27 to 5.3 percent, retroactive to January 1, 2021. In order to become competitive, Minnesota has to keep pace.

Health Care Costs Continue their Uncontrolled Rise

President Obama consistently argued that the Affordable Care Act (ACA), also known as Obamacare, would lower health

care costs, famously predicting it would "cut the cost of a typical family's premiums by up to \$2,500 a year." He was wrong. Nine years later, America's health care costs continue to rise uncontrollably.

A key reason costs keep rising is because the system insulates patients from the true cost of care, generally passing along the cost to employers, private insurers, or government programs.

Rising health care costs are at least as much a problem in Minnesota as elsewhere. The average total family premium for employees at private-sector employers in Minnesota rose 48 percent from \$13,903 in 2010 to \$20,624 in 2020, mirroring the national average.

Minnesota's Medicaid program also costs far more than most.

Medicaid spending per enrollee ranked the fourth highest in the country in 2018. Without any change to federal and state law, costs will continue rise at an unsustainable pace. While Minnesota can't change federal law, there are a number of things the state can do to improve upon federal law and fix state law:

Rising health care costs are at least as much a problem in Minnesota as elsewhere.

Bolster Federal Price Transparency.

Patients need more information to find health options that are affordable, high-quality, and

at a convenient care location. Following recent federal regulations on price transparency, Minnesota should ensure a competitive market that aligns incentives so both high-value providers and their patients benefit.

- *Codify federal price transparency rules.* To protect real transparency from the possibility of federal government overreach, the state should codify similar provisions into state law.
- *Expand price transparency to all locations.* The federal hospital price transparency rule only requires hospitals to disclose prices. Minnesota should require price disclosure at all state-licensed facilities and practices.
- *Ensure implementation of price transparency rules.* To ensure patients and small businesses gain full access to transparent pricing, the state should vigorously enforce transparency requirements. On top of federal penalties, Minnesota should consider linking noncompliance with licensure or, at the very least, impose a higher financial penalty.
- *Reward public employees with shared savings when they choose lower-cost care.* Health care prices can vary by hundreds or thousands of dollars for the exact same in-network service or procedure. Paying patients shared savings incentives when they choose lower-cost care motivates patients to seek value, and also grants high-value providers a tool to attract more patients.

Repeal counterproductive laws that undermine competition. The pressures of COVID-19 on Minnesota's health care facilities revealed several laws that restricted them from meeting the challenges of the pandemic, including laws restricting hospitals and nursing homes from adding new beds, and restricting nursing homes from charging private-pay residents more than Medicaid patients. In a series of executive orders, Gov. Walz temporarily waived or modified many of these restrictions which should now be made permanent. This includes permanent legislation to:

- *Repeal the moratoria on hospital and nursing home construction;*
- *Repeal rate equalization requirements on nursing homes;*
- *Make the nursing licensure compact permanent; and*
- *Expand the availability of telemedicine.*

Ensure the right people receive the right benefits at the right time.

Minnesota's public welfare programs repeatedly fail integrity audits. Minnesota's enrollment systems too often enroll people who are not eligible. Moreover, they are allowed to stay enrolled long after they have lost eligibility due to income or marriage status.

Fighting for Reliable, Affordable Energy

Skyrocketing energy costs have reminded Americans of the importance of reliable, affordable energy, whether gasoline for our cars, natural gas for home heating, or the electricity that powers our lives.

Legislators should fight to help ease the financial burden on Minnesota families and businesses brought on by years of bad energy policy. These reforms include fixing Minnesota's renewable energy requirements, repealing Gov. Walz's California car mandates, and changing the way Minnesota regulates government-approved monopolies.

Minnesota's electricity prices used to be 20 percent below the national average, not only benefiting consumers but giving manufacturing and mining companies a

huge competitive edge in our state. But Minnesota's electricity prices have risen 2.7 times faster than the national average since our renewable energy mandate, the Next Generation Energy Act (NGEA), was signed into law in 2007.

To fix these problems, American Experiment has proposed the Clean Energy Freedom Act (CEFA), which will make several common-sense and much-needed changes to the NGEA.

For example, the NGEA did not consider the hydroelectric power we already buy from Canada to be "renewable" under the mandate. This exclusion has made complying with the mandates unnecessarily expensive. Our polling shows 81 percent of Minnesotans think hydro-

Legislators should fight to help ease the financial burden on Minnesota families and businesses brought on by years of bad energy policy.

power should count.

CEFA would also legalize the construction of new nuclear power plants in Minnesota, reversing the state's unscientific ban on their construction. Nuclear power should be considered the perfect electric power candidate for our state because it provides the reliable, affordable energy that most Minnesotans prioritize, while having the added bonus of not emitting carbon dioxide, which liberals tend to value as a high priority.

Unfortunately, Walz wants to double down on the bad policies that are making our electricity less reliable and more expensive. He wants to enact new energy mandates that would require 100 percent of our electric grid to be carbon free by 2040 *without legalizing nuclear power or Canadian hydropower.*

Policymakers should also pressure

Walz to repeal the California car mandates that will force Minnesota car makers to stock electric vehicles in our state. Electric vehicles are not profitable, so carmakers will be forced to raise the prices on gas-powered cars to compensate for losses on EVs. Walz's California car mandates will increase the cost of driving for all Minnesotans by up to \$2,500 per vehicle and provide no measurable benefits to the environment.

Lastly, Minnesota needs to change the way our utilities are regulated as government-approved monopolies. Our current Public Utilities Commission (PUC) is filled with Dayton and Walz *appointees* who prioritize renewable energy sources above reliability and affordability. This is not a reflection of the ideological or geographic diversity of our state.

Making the PUC an elected body, with one commissioner from each congressional district, plus an at-large Commissioner, would make these bureaucrats accountable to the public.

The way electric utilities are compensated also needs to change. Currently, these monopolies are allowed to make a profit every time they build a wind turbine, solar panel, or gas plant, unfairly making ratepayers pay for unreliable wind and solar energy, even though those sources produce electricity less than half the time. American Experiment proposes the "Get What You Pay For" Act, which only allows companies to make a profit on the amount of reliable capacity they build.

Parents should be in control of education, not the cartel

American Experiment will pursue an aggressive education agenda in the 2022 legislative session. A primary goal will be enhanced academic and financial transparency to arm parents with the information they need to hold the education bureaucracy accountable.

Transparency.

Legislation requiring school districts to make all teaching and learning materials available to the public on the district's

web site should be a priority. This should include teacher training, expenditures, and school policies and procedures. This transparency measure has the support of 69 percent of Minnesotans in the latest *Thinking Minnesota* poll.

Combating radical narratives.

Classroom use of intellectual components of Critical Race Theory, such as discrimination on the basis of race, sex or other group identities; the teaching of bigoted race and sex stereotyping; and the requirement that students or teachers affirm concepts like systemic racism and gender fluidity should be prohibited.

Promoting school choice and legislative oversight.

School choice initiatives should be prioritized in the upcoming legislative session. Any revisions or reforms of the K-12 academic standards should be submitted to the legislature for approval or rejection. The proposed Page Amendment, as well as the use of civics education as training for social justice activism, are tools that do nothing to improve Minnesota's schools and should not be implemented.

School Board Elections.

Finally, aligning school board election dates with the general election in November will strengthen reform efforts by weakening the teachers' union's influence in low-turnout municipal elections. Political leaders annually wring their hands looking for solutions to solve Minnesota's nation-leading achievement gap. Education reform groups come and go, all with well-meaning mission statements. Education Next was formed in 2012 with a star-studded cast of major foundations, city and county leaders, and education experts to "harness the community's knowledge, expertise, and action to ensure that every child can thrive." In almost 10 years, they've done nothing to close the achievement gap.

What about more money? Things will surely get better when we "fully fund education" as the teachers' union proposes. The per-student formula in Minnesota increased from \$4,601 in 2002-2003 to

\$6,832 in 2022. And that is before all of the additions for poverty, language, sparsity and 25 other "categoricals" that bring per-student funding to over \$16,000 for districts like Minneapolis. Money is clearly not the problem.

Violent crime is out of control in Minnesota

You don't need to read the statistics to realize violent crime is out of control in Minnesota. But here they are anyway. Just in Minneapolis, homicides increased from 71 to 83 between 2020 and 2021, through October 31, according to the City of Minneapolis Crime Dashboard. Aggravated assaults increased from 2,542 to 2,665, and auto thefts, at 3,261

Legislation requiring school districts to make all teaching and learning materials available to the public on the district's web site should be a priority.

through October 31, are up from 3,258 in all of 2020.

Some trace the increase in violent crime in Minnesota and the nation back to the death of George Floyd on May 29, 2020. But the real catalyst for the crime wave we are still experiencing was Walz's lack of response to the riots sparked by Floyd's death. Walz was silent for two full days while rioting took over Minneapolis, spread to St. Paul and the suburbs, and eventually the entire country. Walz's silence was a clear message to criminals: go ahead and engage in rioting and lawlessness, there will be no consequences.

The lawlessness continues almost two years later, with no end in sight. Thankfully, the voters of Minneapolis rejected the call to abolish the police, a move

supported by the Minneapolis City Council and cheered on by Congresswoman Ilhan Omar and Attorney General Keith Ellison. But that moment of sanity was quickly offset when leaders like Ramsey County Attorney John Choi announced the end of prosecutions based on so-called pretextual stops.

With do-nothing leaders like Walz and crime-abetting prosecutors like Choi, Minnesotans are increasingly concerned about public safety. In a recent *Thinking Minnesota* poll, 81 percent of respondents said they were personally concerned with the level of crime in Minnesota, with the highest numbers coming from the suburbs. When asked what Walz's top priority should be for 2022, a majority, 28 percent, said he should work on reducing violent crime.

The first step in reducing violent crime is getting violent criminals off the streets and keeping them in prison longer. A strong three strikes law for crimes committed with a dangerous weapon would be a good step forward and is supported by 65 percent of Minnesotans, according to the latest *Thinking Minnesota* poll.

But laws are only as good as the judges and prosecutors charged with enforcing them. There is a disconnect in our system with the legislature setting mandatory minimum sentences for certain crimes and the judiciary ignoring them on a regular basis. According to data from the Minnesota Sentencing Guidelines Commission, judges in Ramsey and Hennepin County deviated from mandatory minimum sentences almost 40 percent of the time in 2019. We need to strengthen mandatory minimum sentencing and limit the exceptions available to judges and prosecutors for not following the guidelines set by the legislative branch. 57 percent of Minnesotans agree, according to the *Thinking Minnesota* poll.

If cracking down on violent offenders means more criminals in our prisons, 49 percent of respondents to the *Thinking Minnesota* poll have no problem using state surplus dollars to fund more prison space. Leaders have no excuse not to strengthen our laws and keep Minnesotans safe. ★

AWASH IN MONEY

The problem of overspending isn't just anecdotal, it is systemic.



John Hinderaker

**Governments
are probably
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On December 7, Minnesota's Office of Management and Budget released a forecast projecting a \$7.7 billion surplus for the 2022-2023 biennium. Of that amount, \$3.1 billion is already on hand. Minnesota's state government, in short, is awash in money, both because it has taxed its citizens beyond government's "needs" and because the federal government has lavished borrowed money on the states.

What to do with this surplus will no doubt dominate the 2022 legislative session.

As American Experiment's economists have documented time after time, Minnesotans are over-taxed. We currently labor under the fifth highest overall tax burden of any state. Our top personal income tax rate is the fifth highest in the country, and our corporate income tax rate is the fourth highest.

As a result, job creation lags in Minnesota. Our productivity is below average, our economic growth is below average, economic growth in the Twin Cities metro area is below average, and we consistently lose residents to other states in every income range over \$50,000. The states to which we lose residents on a net basis are, almost without exception, lower tax states whose economic growth and high-quality job creation leave ours in the dust.

But the problem of overspending isn't just anecdotal, it is systemic. One year ago, American Experiment documented the fact that Minnesota's spending on welfare programs per person in poverty (as defined by the Census Bureau) is the country's third highest, at \$30,479 per person. If Minnesota simply spent the *average* amount per person in poverty, we would save \$7.1 billion per year.

The same is true with regard to education. Our 2020 paper "Allergic to Accountability" showed Minnesota spends more and more money every year on K-12 education, while getting worse and worse results. Per pupil spending is up 75 percent

since 2003, so money is obviously not the problem.

This quarter's *Thinking Minnesota* poll finds a strong consensus among Minnesotans that the projected \$7.7 billion surplus should be given back to taxpayers or devoted to reducing debt. Minnesotans emphatically reject the idea that the surplus should be spent on more government programs.

Thus, 24 percent say the state should give the surplus back to taxpayers in the form of permanent tax cuts. This is the course favored by American Experiment's economists. Another 12 percent say the surplus should be distributed in the form of a one-time rebate to taxpayers. A further 21 percent prefer a different, fiscally responsible course that would also benefit taxpayers: using the surplus to pay off state debts. Thus, 57 percent think that the surplus should be used, in one way or another, to benefit the taxpayers who evidently have paid too much.

Meanwhile, only 28 percent of respondents, including just six percent of Republicans and 20 percent of independents, advocate spending the surplus on government programs like education and welfare.

One might think that in a democracy, a two-to-one consensus in favor of returning the surplus to taxpayers, or using it to pay off debt for which the taxpayers are responsible, would assure that elected officials won't ignore public opinion and spend the money instead. But governments are probably the greediest institutions in our society. It will not be easy to pry \$7.7 billion out of the grasping hands of politicians and bureaucrats who want to use the money to advance their own agendas.

The question of what to do with the surplus will be hotly debated in the upcoming legislative session. It is incumbent on all of us to keep a close eye on our elected representatives, let them know what we think, and hold them accountable for their votes. ★



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