

## Summary of Meeting with Ted Kolderie

Civic Caucus, 8301 Creekside Circle, Bloomington, MN 55437

Friday, August 8, 2008

**Guest speaker: Ted Kolderie**, a founder (with Joe Graba) of Education Evolving

**Present:** Verne Johnson, chair; David Broden, Paul Gilje, Bill Frenzel (by phone), Jim Hetland (by phone), Jim Olson (by phone), and Wayne Popham (by phone)

**A. Context of the meeting**--The Civic Caucus takes a break, so to speak, today from focusing on specific public affairs issues and addresses the question of civic and governmental affairs leadership in the Twin Cities metropolitan area and in Minnesota. The Civic Caucus invited Ted Kolderie, who has more than 50 years experience in a variety of capacities of public affairs, to lead the discussion.

**B. Welcome and introduction**--Verne and Paul welcomed and introduced Ted Kolderie, senior associate, Center for Policy Studies, and founder, Education Evolving. A graduate of Carleton College and of the Woodrow Wilson School of Public Affairs at Princeton University, Kolderie was previously a reporter and editorial writer for the Minneapolis Star and Tribune, executive director of the Twin Cities Citizens League and a senior fellow at the University of Minnesota's Hubert H. Humphrey Institute of Public Affairs.

Kolderie has worked on system questions and with legislative policy in different areas of public life: urban and metropolitan affairs and public finance through the 1960s and '70s. He is most recognized nationally for his work on K-12 education policy and innovation, which he has focused on since the early 1980s. Ted was instrumental in the design and passage of the nation's first charter school law in Minnesota in 1991, and has since worked on the design and improvement of charter legislation in over 20 states.

**C. Comments and discussion**--During Kolderie's comments and in discussion with the Civic Caucus the following points were raised:

**1. Opening an issue for community discussion**--The purpose of our meeting today, Kolderie said, is to try to start a discussion on the future of civic leadership in the Twin Cities area. We'll talk today mainly about a significant change in civic leadership that has occurred over the last 30 years or so, along with possible responses to this change.

**2. The disappearance of business institutions with long term "roots" in the area**--Kolderie recalled his work as a journalist in the 1950s and 1960s and as executive director of the Citizens League from 1967 to 1980. During this time, he said, certain large business institutions saw a need for a strong metropolitan area because their very roots were tied to the Twin Cities area. Usually, four categories of business institutions were included: newspaper, department store, gas and electric utilities, and bank. It wasn't unusual to characterize such businesses as "can't run". They could be counted

on to be in the leadership of plans for strengthening the Twin Cities metropolitan area, because their entire business future was tied to the area. As a complement, he said, it was very common for major law firms to encourage their lawyers to provide significant leadership on civic affairs.

The big change, Kolderie said, is that the "can't run", it turned out, could run. Increasingly these major business institutions -- probably never truly locally owned -- are headquartered elsewhere. In some cases they have been acquired by firms elsewhere. In other cases the scale of the operations is so vast that the Twin Cities area is but one of a host of metropolitan areas. Thus these businesses feel no special allegiance to the Twin Cities area.

And we see more of this occurring, he said. Shortly, Northwest Airlines will become part of Atlanta-headquartered Delta. The Twin Cities area always thought of Northwest Airlines as "our local airline", and such organizations as the Metropolitan Airports Commission (MAC) had incentive to provide preference to Northwest Airlines. Now, Kolderie wonders, will the MAC continue to run a non-competitive airport for an airline now headquartered elsewhere?

Another example of the change, Kolderie said, is with business organizations working on behalf of the metropolitan area and the state. Duane Benson, while heading the Minnesota Business Partnership, would comment that he had members who didn't live in Minnesota, he said.

The position of public affairs vice president formerly was an extension of the CEO, he said. Several years ago, a Fortune 500 CEO in Minnesota, coming back from a meeting of other CEOs, asked his staff why he didn't have a public affairs vice president. Shortly, he hired one.

Today the public affairs department in a corporation is mainly designed to support the commercial activity of the company. The overall health of the community is no longer a prime concern. Large corporations are mainly concerned about their relationship with Congress, less with Minnesota or with their local community.

**3. Turning to other areas of potential leadership**--If major corporations no longer are providing leaders to think intelligently about questions of first order importance to the Twin Cities metropolitan area, where will such leaders come from? Kolderie noted this area has long looked to its large business firms for leadership. But as these fade there are many small firms whose owners and managers have this capacity. He mentioned a man in Omaha (his home town) who had built a local electric-supply business: who first became head of the Chamber of Commerce, got AAA baseball for the city, headed the charter commission, became president of the city council, then mayor. Kolderie also pointed to another kind of institution that today is arguably the 'can't run' institution: the big nonprofits. The University of Minnesota and other colleges and universities; the arts and cultural institutions; the health care organizations, the community foundations, and state, regional and local governments. The difference,

obviously, is that while these have a stake in the local area and have good people they do not have money to finance the studies, the projects to move the civic agenda. The exceptions, of course, are the foundations.

Leaders of these other institutions are beginning to show up as members of the boards of city and metropolitan-based business organizations, he said. In small cities around state, for example, it's common that the local business "community" will include active participation from the city manager, the school superintendent, and the administrator of the local hospital. Not that such participation is bad, but Kolderie quoted an official of a statewide business organization who is concerned that when the need is to challenge the status quo, these local nonprofit interests might prove unwilling to lead boldly.

**4. Role of foundations is central**--Kolderie said that foundations in metro area, particularly the community foundations, will play a key role. They must see their role, however, as broader than direct financing for operating non-profit agencies. If they are truly to fill the vacuum in traditional community leadership they must have real vision about their responsibility in identifying key steps to think intelligently about key questions affecting the future of the region.

Kolderie urged that a private-sector strategic-planning function be connected to the programming of the private and community foundations. Groups such as the Citizens League could advance proposals to the foundations--much as the League always moved analyses and proposals to the Legislature, he said. This would not depend on an invitation on the part of the foundations any more than a Citizens League effort to get action from the state has waited on an invitation from legislators. An effort at education on issues as well as advocacy would be required. Perhaps proposals could be advanced to foundations to urge them to be in a particular area or on a particular problem. Foundations could be urged to put out a Request for Proposals (RFPs) in some areas.

Organizations that might consider trying to influence a foundation might fear that their own prospects for funding would be jeopardized. Kolderie cited the example of a civic organization that dared not even discuss a proposal that it look at how foundations set their priorities. But beginning in the 1970s neighborhood community groups began pushing foundations aggressively about increasing their giving to social causes, with considerable effect.

Actually we should be talking about 'philanthropy' rather than just the organized foundations, he said. Some private individuals might actually be more aggressive, creative, than the organized foundations.

**5. Itasca Project an exception?**--It was noted to Kolderie that a group known as the Itasca Project was set up a few years ago, to involve only top corporate leaders. That group seems committed to working on public issues affecting the future of the state, in such areas as transportation, a Civic Caucus member said.

Kolderie recalled attending a briefing put on by the Itasca Project in which those present seemed to be lobbyists for their own interest area. The idea seemed to be that 'doing something' had a much higher priority than thinking our carefully what it was important to do. The key of course is to have both, he said.

A member of the Civic Caucus with close connections to Washington, D.C., said that corporations today are working mainly to serve the next quarterly report to stockholders.

**6. Being open to institutional change**--Kolderie recalled that a continual process of "institution building" occurred in Minnesota and in Minneapolis and in the metro area from the 1940s into the 1970s, producing such groups as the Minnesota Municipal Commission, the Urban Coalition, the State Planning Agency and the Metropolitan Council. What institutional change is happening now, he asked? He senses some benefit from a "trends watch", established by the Wilder Foundation. However, he's concerned that interest groups are too powerful in the development of questions asked by Wilder. For example, on the question of measuring the knowledge and skills of the people of the region, school superintendents were able to limit the work to those subjects taught to young people in school. This will block off any broad understanding of what are in fact the skills and capabilities of the people of this region

A member of the caucus asked about recreating civic leadership. Kolderie said there is always an impulse to try to revive something in its previous form. Probably what develops will be unlike the past; will take some new form we cannot anticipate today. Civic activity has been broadening steadily. The days when civic decisions were made at the Minneapolis Club are gone. In Pittsburgh the Allegheny Conference, the old power-structure organization, is basically gone. Participation widens; accelerated by new electronic technology -- which the Civic Caucus is using itself, he noted.

Kolderie said that with respect to the one area he now watches closely, education, he sees some hopes that Governor Pawlenty is sensing a need for fundamental change. Kolderie said he listened on MPR recently to Pawlenty's talk at the National Press Club. In that talk Pawlenty discussed the impact of technology on learning, using the example of a resident of Stillwater who could take an online college-level course at home, taught by a highly-qualified professor, at time convenient to the resident, instead of having to drive 45 minutes of the University of Minnesota, at a specified time, in a class with many others, and then having to drive home again. He said he doubts that traditional educators understand the change coming with individualized computer-based learning.

**7. The urgent need for initiating proposals for change**--A member of the Civic Caucus said that leaders in the private sector formerly saw their responsibility to participate actively in developing proposals for change. Today, they wait for others to propose solutions to which they can respond. Kolderie agreed: The civic sector is no longer developing its own understanding of problems and its own sense of strategy for action. He recalled that the Citizens League in 1963 evaluated the big capital program of

the Minneapolis Public Schools. The League didn't simply say yes or no with respect to the program prepared by the school board. It analyzed the plan, saw it was simply a rehabilitation program -- a new wing for every building in town -- and came up with an alternative plan to close and replace whole buildings. When the board resisted, decided to submit its own plan to the voters anyway, the League urged voters to reject the plan. Voters agreed with the League; defeated the proposed bond issue. A consulting team was brought in to provide a second, outside, opinion. It agreed the schools needed a replacement program. One was drafted. The League supported it. It passed. What civic institution has that kind of courage and clear sense of policy today?

A Civic Caucus member said that too many leaders today are simply managers, not builders or risk takers. Another member said that the general public has yielded its broader public interest to the sports entertainment industry and other special interests.

Kolderie said he is struck by how largely the discussion about public affairs consists simply of (a) restating the needs and problems and (b) restating the goals and objectives. Neither produces action, he said. Nothing happens until someone provides a method; a way to get from where we are to where we want to be. That takes thinking, discussion, good analysis, imagination in developing proposals. So what is most important today is to develop, somewhere, on some basis, the capacity to do that kind of policy thinking. This is perhaps the kind of question of "first order importance" that the foundations should be thinking about, he said.

**D. Thanks**--On behalf of the Civic Caucus, Verne thanked Kolderie for meeting with us today.