A Proposal to the Economic Development Administration
National Technical Assistance Program

A **BENCHMARKING TOOL**

**FOR STATE AND LOCAL**

**ECONOMIC**

**DEVELOPMENT STRATEGIES**

Submitted
March 16, 1993

State and Local Policy Program
Hubert H. Humphrey Institute of Public Affairs
University of Minnesota
154 Humphrey Center
301 19th Avenue South
Minneapolis, Minnesota 55455

The Humphrey Institute of the University of Minnesota is hospitable to a diversity of opinions and aspirations. The Institute does not itself take positions on issues of public policy.
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from

The State and Local Policy Program
Hubert H. Humphrey Institute of Public Affairs
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Performing Organization: State and Local Policy Program
Hubert H. Humphrey Institute of Public Affairs
University of Minnesota
154 Humphrey Center
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Minneapolis, MN 55455

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Project Duration: 12 months

Funds requested: $96,297
National Technical Assistance Program
A BENCHMARKING TOOL FOR STATE AND LOCAL ECONOMIC DEVELOPMENT STRATEGIES

Scope and Objectives

For the past 15 years state and local governments have experimented with a range of economic development programs and strategies. Doug Ross and Robert Friedman of the Corporation for Enterprise Development classify these programs and strategies historically into three groups:

- First wave strategies, which began in the South in the 1930s with industrial recruitment, known as smokestack chasing, to lure branch plants from the industrialized North;
- Second wave initiatives, which started in the 1980s, sought to fill perceived market gaps and imperfections through government programs that directly provided economic development services to individual businesses;
- Third Wave strategies, a new approach to economic development, which advocates a radical restructuring of state programs based on the principles of increased scale, flexibility, leverage and accountability.¹

Third Wave strategies suggest broadening beyond what has been the traditional domain of state and local economic development agencies — business recruitment and retention. For example, Third Wave advocates would shift public dollars from business incentive programs designed to attract or retain businesses to human and community investment strategies, leveraging public dollars more effectively by compelling both public and private sectors to share risk and reward. Similarly, Third Wave advocates would shift resources from technical assistance programs which reach only a few businesses and may be of marginal value to the businesses served, to offering choices among service providers and encouraging the formation of manufacturing networks based on European models.

These strategies have generated a vigorous debate among economic development policy experts as well as a strong interest by state and local economic development professionals in how to apply third wave strategies in their own areas. In December 1991, the National Conference of State Legislatures (NCSL) held a conference on third wave strategies in Marco Island, Florida. This conference brought together proponents as well as skeptics on third

wave strategies, encouraging legislators and other practitioners present to explore further these new approaches.

In December 1992, the University of Minnesota’s Humphrey Institute of Public Affairs hosted a *State and Local Economic Development Strategy Summit* in conjunction with the NCSL, which continued the discussion of third wave strategies and potentially better approaches to economic development. The summit drew a cross section of 115 academic economists, policy thinkers, legislators, economic development professionals and business participants from 26 states and one Canadian province. The summit consisted of six panels which grappled with the following questions:

- Is state and local economic development policy a zero-sum game?
- The global economy: Can states be effective players in the international arena?
- Regional economic transformation: How can states be effective in the midst of chaos and uncertainty?
- Evaluating economic development programs: Is anybody doing it?
- Third wave economic development programs: What are they? Will they work?
- Where do go from here? What advice should we give to the Clinton Administration?

The response to the *State and Local Economic Development Strategy Summit* was overwhelmingly positive. A summary of the participant evaluation for the summit is included as an appendix. Participants expressed a strong interest in having a report to the summit to share with others in their states and for a self-assessment tool to help a state or local government in applying third wave strategies in their own states and communities.

This proposal has three major objectives —

*First,* to prepare, edit and summarize into a printed report the proceedings of the Humphrey Institute’s *State and Local Economic Development Strategy Summit* held in December 1992;

*Second,* to develop, pilot test and apply a benchmarking/self-assessment tool for states and local governments to assess and improve their own economic development strategies;

*Third,* to prepare users guides for state and local development agencies on how to apply the benchmarking/self-assessment tool.
Benchmarking is being used increasingly by businesses to improve their processes in today’s competitive global economic market and by government organizations to meet public expectations for more efficient use of public resources. The concept of benchmarking is to identify the best practices from industry or government that may be directly or indirectly related to an organization to continually improve and achieve the best in all efforts or work methods. The initiation of the Malcolm Baldrige Quality Award by the U.S. Department of Commerce in 1987 has stimulated many American businesses to conduct self-assessments and to benchmark against "world-class" standards. Federal, state and local governments and educational institutions have also embarked on quality initiatives, and many are using the Baldrige criteria and process as a self-assessment tool.

States and local governments have always practiced a form of benchmarking, but not in a very systematic or consistent way. States look to other states for best practices and frequently copy legislation and programs. State and local officials attend conferences with their peers in large part to learn what’s new in the world of public policy and to bring home an idea or two. During the 1980s, state and local economic development agencies, which are by their nature highly competitive, may have actually copied too many programs from other governments without adequate evaluation of their effectiveness or application within their states. In the past few years, several states have begun to take a more thoughtful, systematic and long-term approach to economic development strategies as evidenced by the emergence of quasi-public economic development strategy organizations in such states as Oregon, Indiana, Kansas, Oklahoma and Kentucky.

During winter quarter, Senior Fellow Lee Munnich conducts a graduate course entitled State Economic Strategies Workshop at the University of Minnesota’s Humphrey Institute. In the workshop, teams of graduate students have developed strategies for different states each year. Last year teams developed strategies for Iowa, Minnesota and Montana; this year teams are completing strategic assessments for Ohio, Wisconsin and Wyoming. The directors of state economic development serve as clients for the projects and evaluate the state strategy reports at the end of the course. The level of interest by states in this workshop is high. Eleven states requested to participate in the 1993 workshop.

The workshop consists of three parts — a diagnosis of opportunities and risks, a vision of the future, and a realistic action plan that is in accord with that vision. A description of the workshop and comments by state development agencies and students are included in an
appendix. In the State Economic Strategy Workshop, which begins in January 1994, we propose to apply the benchmarking tool developed during this project in five states.

**Description of Project and Methodology**

This project is designed to help state and local governments understand what are the elements of a successful economic development strategy based on third wave principles and to evaluate their own strategies against these standards. While there is a debate over whether third wave approaches will work, there is general concurrence on the principles — scale, flexibility, leverage and accountability. What state and local officials want to know is how to apply these principles in designing or redesigning their economic development strategies.

Our approach will be to use these principles in developing specific criteria to assess the effectiveness of programs. Asking the right questions will help economic development directors improve their programs, whether or not they adopt the full range of third wave strategies.

Do current economic development programs achieve sufficient scale relative to their costs? During the 1980s governors and state legislatures created a range of new economic development programs to respond to perceived economic problems and to keep up with their neighboring states. Using the principle of scale, if a program has not reached sufficient scale in serving the businesses or communities to which it is directed, it may suggest merging, redesigning, or eliminating the program.

Are current economic development policies and programs flexible? Traditional ways of managing and controlling government programs lead to considerable rigidities and inflexibility in dealing with businesses. The marketplace moves fast and changes continuously, and government programs are frequently not flexible enough to move quickly or respond to change. This lack of flexibility has led many business leaders and third wave advocates to reject any government program approach as ultimately doomed to failure. There is no fundamental reason why government programs could not be more flexible if public leadership is committed to it.
Do current economic development programs apply the principle of leverage? Private sector support and investment should be an underlying requirement in economic development programs but is frequently overlooked or not used as a consistent test in assessing programs. Redesigning economic development programs to assure the greatest leverage of public dollars offers an opportunity for economic development directors to manage budget cuts while increasing their effectiveness.

How do you assure accountability in economic development programs? One approach is to develop a performance monitoring system as Minnesota has done, using the information from regular surveys of business and community customers for continuous improvement of economic development programs. Third wave advocates would create competition for services through vouchers or other methods which allow consumer choice of service vendor. Another approach is the Oregon Benchmarks Program which sets outcome targets and measures all state programs on how they contribute to meeting those targets. Whatever the approach, it is clear that state and local economic development programs currently do not have very good mechanisms for assuring accountability and that significant improvement is needed.

This project will result in the following products:

- A full report of the State and Local Economic Development Strategy Summit held at the Humphrey Institute in December 1992;
- A benchmarking/self-assessment tool for state and local governments to assess and improve their economic development strategies;
- A pilot test of the benchmarking/self-assessment tool with three states and three local governments;
- Application of the benchmarking tool in assessing economic development strategies and identifying opportunities for improvement in three to five states during the 1994 State Economic Strategy Workshop;
- Application of a local government benchmarking tool in three to five communities by Minnesota Extension agents;
- Users guide for state and local development agencies on how to apply the benchmarking/self-assessment tool.

A description of each of these products and the proposed methodology follow:
Report of State and Local Economic Development Strategy Summit

A full report of the Humphrey Institute's State and Local Economic Development Strategy Summit held December 3 through 5, 1992, will be prepared and printed during the first phase of this project. Lee Munnich, Senior Fellow and project director, will serve as editor of the report. Munnich will coordinate the transcription and work with panel moderators from the Humphrey Institute and panelists in editing their presentations. He will also prepare abstracts for each panel and summarize key findings and conclusions in an opening chapter. The report will include photographs of speakers and participants as well as selected tables and graphs. The report will be edited for style as well as content and printed in a professional manner.

The report of the summit will provide economic development practitioners, researchers, state and local officials, businesses and others interested in state and local economic development policy a useful compendium of current knowledge and thinking. An outline of the chapters of the proposed report is included in an appendix.

Benchmarking/Self-Assessment Tool

Participants in the December summit expressed the need for some method of assessing their own economic strategies and identifying the potential for applying third wave approaches in their own states or communities. We propose to develop a benchmarking tool which will allow a state or local government to conduct an assessment of its economic development strategy. The benchmarking tool may be used either for self assessment or for an outside assessment by trained examiners.

The economic development assessment tool will draw from the successful model for the Malcolm Baldrige Quality Award. The Baldrige Award criteria have become a de facto standard for evaluating quality strategies, whether or not a company ever applies for the award. Minnesota has adopted the Baldrige criteria and examination process for its own quality award, which has stimulated many Minnesota companies to pursue the award or send their employees for training as examiners. Senior Fellow Lee Munnich, the project director, was an examiner for the Minnesota Quality Award in 1992 and will serve again as an examiner in 1993.

The elements of the Baldrige Award which will be adapted to this project are: 1) a set of well-defined criteria or standards for assessment which draw from state-of-the-art knowledge; 2) an integration of broad principles such as leadership and continuous improvement into detailed
criteria; 3) flexibility in the assessment tool so that each organization can apply it to its own particular environment and culture; 4) a process for achieving consensus on the overall assessment as well as strengths and areas for improvement.

The initial step will be to develop a set of principles and criteria for assessing a state or local economic development strategy. The assessment will incorporate the principles scale, flexibility, leverage and accountability advocated by third wave proponents, as well as broad criteria or design rules, such as the following proposed by Walter Plosila, President of the Montgomery High Technology Council:

- Build networks and consortia
- Establish local intermediaries
- Wholesale services and programs
- Require leverage and commitment
- Make policies and programs comprehensive
- Generate competition
- Fill gaps and change behavior
- Invest, don’t grant

These criteria are illustrative, since they incorporate key third wave principles. There are other formulations of third wave principles, including those advocated in the popular new book *Reinventing Government* by David Osborne and Ted Gaebler. The first step will be to agree upon 6 to 8 major principles or criteria, which can be used as a framework for evaluating state or local economic development efforts. These criteria will be developed in consultation with academic and economic development policy experts who attended the State and Local Economic Development Strategy Summit and others who have contributed to current knowledge on economic development strategy.

The next step will be to identify specific items for analysis within each major criteria. An example under local intermediaries might be "Does the state government have an effective method of working with communities and regional groups in its economic development

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efforts?" These items will be assigned weights, based on importance, which can be used in scoring and determining how far the state or community is from the benchmark or standard. The scores in themselves will be subjective, but will help in assessing the areas of strength and weakness.

**State-Local Pilot Test**

Three states and three local governments will be invited to pilot test the self-assessment instrument. The purpose of this pilot will be to determine the applicability, understandability, and usefulness of the benchmarking tool to economic development practitioners. The State and Local Policy Program staff will interview those who complete the self assessment to identify areas for improvement. Changes will be made based on the feedback from the pilot test.

**Application in 1994 State Economic Strategy Workshop**

The benchmarking tool will be used to assess the economic development strategies of states who participate in the *State Economic Strategy Workshop*. Senior Fellow Lee Munnich will conduct the next workshop during the winter quarter which begins in January 1994. Under his supervision, three to five teams, each made up of three Humphrey Institute graduate students, will evaluate state economic strategies based on the criteria developed for the benchmarking tool. The economic development strategy assessments will include a discussion of strengths and specific recommendations for improvement.

**Local Community Application by Minnesota Extension Agents**

University of Minnesota Extension agents will apply the local government benchmarking tool in three to five communities in the state. The local government applications will occur during the same time period as the *State Economic Strategies Workshop*. Professor Randy Cantrell, who serves in a joint appointment to the Minnesota Extension Service and the Humphrey Institute of Public Affairs, will direct the selection of communities, training of Extension agents and evaluation of community results.

**Users Guides for Benchmarking/Self-Assessment Tool**

Final revisions in the benchmarking/self-assessment tool will be made based on the results of the pilot test, state applications in the State Economic Strategies Workshop, and local
applications by Minnesota Extension agents. The final product will be guides for state or local development agencies to use in assessing their economic development strategies. The users guides will include practical suggestions on how to apply the assessment tool and will identify resources, both publications and contacts, for states and local governments to get help in areas where improvement is called for.

Work Plan

The work plan for the project is in two phases:

Phase 1: Summit report and state-local self-assessment tool

1.1 Prepare full report of State and Local Economic Development Summit
1.11 Prepare transcript of proceedings
1.12 Edit proceedings
1.13 Review and modification of proceedings by presenters
1.14 Final edit and summaries
1.15 Prepare, print and distribute report

The entire summit is currently on audio tape. The first step is to have these proceedings transcribed for review and editing. Senior Fellow Lee Munnich will conduct an initial edit of the proceedings from the transcript for clarity, accuracy and readability. In some cases, but not all, speakers provided papers, which can be used in the editing process. Speakers at the Summit will be asked to review and modify their remarks to assure that they are accurately represented. A final edit will assure consistency in style and a high quality report.

The report will be prepared for printing by a professional designer. The report will include photos of speakers and the audience as well as figures and tables which support the presentations. The State and Local Policy Program accumulated a sizable mailing list for the State and Local Economic Development Strategy Summit. Flyers will be sent to this list and others identified as potential markets. Based on the multi-state interest in the summit, we anticipate a sizable demand for the publication by state and local governments, universities, libraries, businesses, associations and others.
1.2 Develop state-local benchmarking/self-assessment tool

1.21 Develop principles or criteria and assessment items for an ideal economic development strategy
1.22 Conduct roundtable phone conferences with selected development experts
1.23 Design benchmarking/self-assessment tool
1.24 Circulate benchmarking/self-assessment tool for review by key experts and practitioners and modify benchmarking tool.

A set of 6 to 8 principles or criteria for assessing a state or local economic development strategy will be developed based on third wave principles and ideas presented at the State and Local Economic Development Strategy Summit. Under each principle several assessment items will be specified. We anticipate a different set of assessment items for state and local governments, although the two lists will be parallel and comparable in many respects.

The list of proposed criteria and assessment items will be circulated to the academic and policy experts who spoke at the summit as well as selected others who can contribute to making this an effective self-assessment tool. This panel of experts will be asked for their input on the self-assessment tool during a series of roundtable phone conferences. Each phone conference will involve five panelists. We anticipate a total of 25 panelists who would be involved in this review process.

Based on the input from the phone panels, a benchmarking tool will be designed for states and another for local governments. This tool will include instructions and appropriate guidelines for a state or local government to use the tool for self assessment. The panelists involved in the earlier review will be asked to review the revised benchmarking tool and give their recommendations for improvement. Based on the recommendations, the benchmarking tool and instructions for self assessment will be modified.

Phase 2. Test, Apply and Publish Assessment Tool

2.1 Conduct pilot tests of assessment tool with three states and three local governments

2.11 Select three states and three local governments for pilot tests.
2.12 Send assessment tools to pilot test organizations with appropriate instructions.
2.13 Interview pilot test organizations to identify usefulness of tool and areas for improvement and make changes based on input.

Three states and three local governments will be identified and asked to serve as pilot tests for the assessment tool. The pilot tests will be selected to represent different size states and local units, geography, and willingness to cooperate with the project. The assessment instrument will be sent to organizations and will include instructions on how to complete the assessment. Organizations will be given three weeks to complete the assessment.

The states and local government staff who completed the assessments will be interviewed by phone to identify how useful the tool was in assessing the state or local economic development strategy and to suggest areas for improvement. The assessment tool will be revised based on the feedback from the state and local governments who participated in the pilot test.

2.2 Apply assessment tool in three to five states through 1994 State Economic Strategy Workshop

2.21 Invite state economic development directors to participate in 1994 State Economic Strategies Workshop.
2.22 Revise syllabus for 1994 Workshop to incorporate benchmarking/assessment tool
2.23 Train graduate teams in applying the criteria and assessment items.
2.24 Conduct assessments of state economic development strategies.
2.25 Evaluate the effectiveness and usefulness of the assessment tool, process and results with state economic development directors and staff and with the student teams.

In September 1993, state economic development directors will be invited to participate in the 1994 State Economic Strategy Workshop. In the invitation to states, we will explain that the new benchmarking/assessment tool will be used in examining their strategies and making recommendations for improvement. Three to five states will be selected for the 1994 workshop. The syllabus for the workshop will be revised to incorporate the benchmarking/assessment tool.

The graduate student teams in the workshop will be trained to apply the criteria and assessment items during the workshop. Student teams will conduct the economic development strategy assessments for each of the states. This assessment will be done based on interviews with state officials, written responses from state development agencies, and materials obtained from the state and others.
At the end of the workshop, state economic development directors and their staff will be asked to evaluate the effectiveness and usefulness of the assessment tool, the process used in the workshop, as well as the results in the form of the project team reports. Student teams will also be asked to give their own evaluation of the benchmarking tool and the process used in the workshop.

2.3 Apply assessment tool in three to five communities with University of Minnesota Extension Agents

2.31 Invite local development agencies to conduct benchmarking/self-assessments under the guidance of Minnesota Extension Agents.
2.32 Select communities for application of benchmarking/self-assessment tool.
2.33 Train Minnesota Extension agents to assist communities in conducting assessments using the benchmarking tool.
2.34 Conduct assessment of local development strategies.
2.35 Evaluate the effectiveness and usefulness of the assessment tool, process and results with local officials and development staff and with the Minnesota Extension agents.

Under the leadership of Professor Randy Cantrell, Minnesota communities will be invited to apply the assessment tool with the assistance of Minnesota Extension agents. Three to five communities will be selected based on their interest and capacity to conduct the self-assessment during the months of January through March 1994. The selections will be made by Professor Cantrell in conjunction with Minnesota Extension agents. Minnesota Extension agents will be trained on how to apply the benchmarking tool before working with the selected communities.

From January to March 1994, Minnesota Extension agents will assist communities in conducting the self-assessment with the benchmarking tool. During this period, the Extension agents will meet from time to time and converse in regular phone conferences to monitor progress and solve problems as they arise.

At the completion of the community assessments, Cantrell, Munnich and the Extension agents involved in the project will evaluate the effectiveness and applicability of the benchmarking/self-assessment tool to local governments. Local officials and economic development staff will be asked to give their assessment of the usefulness of the tool and the process for applying it to local economic development strategies.
2.4 Publish and distribute self-assessment and benchmarking users guides

2.41 Make revisions in self-assessment tool and benchmarking guide based on input from State Economic Strategy Workshop.
2.42 Prepare users guides for states and local governments to conduct self assessments.
2.43 Publish and distribute guide.

The pilot tests, the workshop results and the local government applications will give a strong indication of whether the benchmarking tool will be of practical value to states and local governments in assessing their economic development strategies. They will also indicate the effectiveness of the self-assessment approach versus an outside team conducting the assessment. Based on the input from the workshop, final revision will be made in the assessment tool and instructions.

Pamphlet-sized users guides which includes the self assessment tool will be prepared which can be easily used and inexpensively replicated. Copies of the guide will be published and distributed widely to states and local governments.

Project Budget

The project budget is divided into two phases which correspond with the work plan. A summary of the proposed EDA budget by phase is shown in Table 1. This summary also includes the proposed match to be provided by the University of Minnesota. This match represents 32 percent of the total cost of the project.
Table 1

A BENCHMARKING TOOL FOR STATE AND LOCAL ECONOMIC DEVELOPMENT STRATEGIES

Proposed Budget

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Project Director and Principal Staff

This project will be conducted under the leadership of Lee Munnich, Senior Fellow with the University of Minnesota’s Hubert H. Humphrey Institute of Public Affairs, as project director. Senior Fellow Munnich has served as director of the Humphrey Institute’s State and Local Policy Program since March 1991. In this role he conceived the idea of the State and Local Economic Development Strategy Summit, enlisted the sponsorship of the National Conference for State Legislatures and conducted the conference in December 1991. Munnich also developed and teaches the State Economic Strategies Workshop as a course for Humphrey graduate students during winter quarter. In the 1992 and 1993 workshops, graduate teams prepared and presented to state economic development directors strategies for Iowa, Minnesota, Montana, Ohio, Wisconsin and Wyoming.

Munnich has 25 years of experience with state and local government. Before joining the Humphrey Institute he served as assistant commissioner for policy analysis then deputy commissioner with the Minnesota Department of Trade and Economic Development. Among his accomplishments during the six years Munnich spent with the department were the following:

- Organized the Commerce Minnesota Initiative in 1987, the first federal-state partnership under the State Initiatives Program of the U.S. Department of Commerce;
- Volunteered Minnesota as a case study for the EDA-funded Urban Institute project in 1988 and directed the development of a performance-monitoring system for Minnesota’s Department of Trade and Economic Development;
- Chaired the Research Division of the National Association of State Development Agencies (NASDA) from 1986 through 1990. Under Munnich’s leadership the division conducted an annual workshop for economic development research directors, developed a training program for economic development analysts and worked with the Commerce Department in the development of the National Trade Data Bank;
- Initiated the Minnesota Economic Resource Group, an interagency team of state research managers, and developed and directed the preparation of the group’s annual Economic Report to the Governor from 1986 through 1991.

Other principal staff for the project are:
Robert Kudrle, Professor and Associate Dean for Research with the Humphrey Institute, who is also Director of the Orville and Jane Freeman Center in Economic Policy. The Freeman Center co-sponsored the State and Local Economic Development Strategy Summit with the State and Local Policy Program. Professor Kudrle is an economist who specializes in international trade policy and has published articles on economic development evaluation methodology. He will be involved in the overall direction of the project as well as reviewing and editing the international trade section of the summit report.

Randy Cantrell, Associate Professor with Minnesota Extension Service and the Humphrey Institute. Professor Cantrell runs Minnesota Project Future, a program to help rural Minnesota communities define their visions for the future and translate these into local development priorities and specific activities to achieve their visions. Professor Cantrell will assist in developing the local benchmarking/self-assessment tool and will be responsible for the pilot tests and applications to local communities.

Ragui Assaad, Assistant Professor with the Humphrey Institute, moderated the panel at the summit which dealt with regional economic transformation. Professor Assaad specializes in international economic development, labor economics, urban and regional planning. He will review and edit his section of the summit report and will advise on the benchmarking tool as it is developed.

Thomas Luce, Assistant Professor with the Humphrey Institute, served as moderator for the panel on whether state and local economic development policy is a zero-sum game. Professor Luce specializes in state and local public finance, urban economic development and intergovernmental relations. He will review and edit his section of the summit report as well as advising on the benchmarking tool as it is developed.

Candace Campbell, Research Fellow with the Humphrey Institute's State and Local Policy Program, moderated the panel on Third Wave Strategies. Campbell has extensive research and applied background with economic development programs and specializes in technology transfer and science and technology policy issues. Campbell will assist with the editing of the report and provide advice in the development of the benchmarking tool.

Resumes of the project director and principal staff are included in the appendix.
Institutional Capability Statement

The State and Local Policy Program is a program of the Humphrey Institute of Public Affairs of the University of Minnesota. With funding from the Northwest Area Foundation, the program has sought to enhance the Humphrey Institute's outreach and research on issues of importance in state and local policy. The program's primary goal has been to link the academic and research talents of the Humphrey Institute and the University of Minnesota with public policy leaders and citizens who are seeking solutions to public problems. The program fully supports the University of Minnesota's three-fold land grant mission of teaching, research and service to the community.

The State and Local Policy Program and the Humphrey Institute have the staff, space and capacity to conduct the proposed project. Additional information on the State and Local Policy Program and the Humphrey Institute are included in an appendix.
APPENDIX

A. Outline for the State and Local Economic Development Strategy Report

B. Resumes of Project Director and Principal Staff

C. Participant Evaluation of State and Local Economic Development Strategy Summit

D. State and Local Economic Strategy Workshop

E. State and Local Policy Program

F. Hubert H. Humphrey Institute of Public Affairs
Outline for the State and Local Economic Development Strategy Report
Outline for the State and Local Economic Development Strategy Report

Chapters:

1. Is State and Local Economic Development Policy a Zero-Sum Game?
   Moderator: Thomas Luce, Assistant Professor, Humphrey Institute
   • Timothy Bartik, Senior Economist, Upjohn Institute, Kalamazoo, MI
   • Arthur Rolnick, Director of Research, Federal Reserve Bank, Minneapolis, MN

2. The Global Economy: Can States be Effective Players in the International Arena?
   Moderator: Robert Kuttr, Professor and Associate Dean, Humphrey Institute
   • John Kline, School of Foreign Service, Georgetown University, Washington, D.C.
   • William Nothdurf, William Nothdurf Associates, Bethesda, MD
   • Carol Conway, Deputy Director, Southern Growth Policies Board, Research Triangle Park, NC

3. Regional Economic Transformation: How Can States be Effective in Chaos and Uncertainty?
   Moderator: Ragui Assaad, Assistant Professor, Humphrey Institute
   • Ann Markusen, Professor of Regional and Industrial Economics, Rutgers University, New Brunswick, NJ
   • Jerry Nagel, Executive Director, Red River Trade Corridor, Crookston, MN

4. Evaluating Economic Development Programs: Is Anybody Doing It?
   Moderator: Lee Munnich, Senior Fellow and Director, State and Local Policy Program, Humphrey Institute
   • Harry Harty, Director, State and Local Government Research Program, The Urban Institute, Washington, D.C.
   • Abigail McKenzie, Director, Information, Analysis and Evaluation, Minnesota Department of Trade and Economic Development, St. Paul, MN
   • Brandon Roberts, Brandon Roberts + Associates, Baltimore, MD
   • Beth Stella, Associate Scientist, Institute for Public Policy and Business Research, The University of Kansas, Lawrence, KS

5. Third Wave Economic Development Strategies: What Are They? Will They Work?
   Moderator: Candace Campbell, Research Fellow, Humphrey Institute
   • Robert E. Friedman, Chairman of the Board, Corporation for Enterprise Development, San Francisco, CA
   • Janet Jones, Key Industry Association, Oregon Department of Economic Development, Salem, OR
   • Graham Toft, President, Indiana Economic Development Council, Indianapolis, IN
6. Roundtable Discussion: Where do we go from here?
Moderator: Dan Pilcher, Program Principal, Economic Development, National Conference of State Legislatures, Denver, CO
- Frank Lauricella, Louisiana State Senator, Baton Rouge, LA
- Robert de la Vega, Director of Government Relations, Norwest Corporation, Minneapolis, MN
- Christina Gilchrist, Alexandria Area Economic Development, Alexandria, MN
- Kathryn Keeley, Corporation for Enterprise Development, St. Paul, MN
- Susan Koch, Economic Development and Telecommunications Consultant, St. Paul, MN
- James Maloney, Connecticut State Senator, Danbury, CT

7. Quality Check and Wrap Up - Graham Toft

8. Conclusion and recommendations to the Clinton Administration

9. Summary of Summit, Findings and Conclusions

Appendix
A. Bibliography (by each of the five major topics)
B. Recommendations by participants to the Clinton Administration
C. Participant evaluation
D. List of summit participants
B.

Resumes of Project Director and Principal Staff
CURRICULUM VITAE

September 1991

Lee W. Munnich, Jr. 1149 Cedar View Drive
Senior Fellow and Director, Minneapolis, MN 55405
State and Local Policy Program (612) 374-1854
Hubert H. Humphrey Institute of Public Affairs
University of Minnesota
154 Humphrey Center
301 19th Avenue South
Minneapolis, MN 55455
(612) 625-7357

EDUCATION

Georgetown University B.A. in Economics, 1967

PROFESSIONAL EXPERIENCE

1991- HUBERT H. HUMPHREY INSTITUTE OF PUBLIC AFFAIRS, UNIVERSITY OF
MINNESOTA, Senior Fellow and Director, State and Local Policy Program. Direct
public policy program to help state and local policy makers understand
and address regional issues. Conduct annual workshop for Humphrey graduate
students on state economic strategies.

1985-1991 MINNESOTA DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT,
Deputy Commissioner (January 1990-January 1991), Assistant Commissioner
Responsible for Business Development and Analysis Division. Managed $7 million
budget and 56 employees.

Conducted research for CEOs on education, spending and tax policy.

study of state-local fiscal system for Local Government Policy Task Force.

1978-1981 MIDWEST RESEARCH INSTITUTE (MRI), Manager, Center for Economic Studies.
Managed professional research staff. Conducted economic, market, fiscal and
commercial studies for public and private clients.

1974-1978 MINNEAPOLIS CITY COUNCIL, Member (full-time elected position). Elected
1973; re-elected 1975.

1972-1973 MINNESOTA TAX STUDY COMMISSION, Executive Secretary.
MINNESOTA STATE SENATE, Tax Specialist.
Lee W. Munnich, Jr.
Curriculum Vitae
Page 2


HONORS AND AWARDS

1987 Minnesota Business Partnership Excellence in State Government Management Award
1987 WCCO Radio “Good Neighbor” Award

PROFESSIONAL AND COMMUNITY ACTIVITIES

1991- Steering Committee, University of Minnesota Quality and Productivity Breakfast Series
1989- Vice President, Hennepin County Library Foundation
1989- Steering Committee Member, Quality Minnesota Initiative
1988- Board of Directors, Partnership Minnesota
1978-1992 Chair, Budget Committee, Basilica of St. Mary Finance Council
1989-1992 Board of Directors, Minnesota Council for Quality
1988-1991 Chair, Minnesota Information Policy Council, Management Committee
1985-1991 Chair, Minnesota Economic Resource Group
1986-1990 Chair, National Association of State Development Agencies, Research Division
1974-1978 Chair, Government Operations Committee, Minneapolis City Council
1974-1978 Member, Ways and Means Committee, Minneapolis City Council
1975-1978 Member, Minneapolis City Planning Commission
1974-1980 Board Member, Guthrie Theater Board
1978-1984 Board Member, Urban Concerns Workshop
1978-1980 Board Member, Community Design Center
1981-1983 Chair, Boy Scout Troop Committee

RESEARCH ACTIVITIES

Humphrey Institute of Public Affairs

Current research activities of the State and Local Policy Program under the direction of Lee W. Munnich, Jr.:

- State economic strategies
- Science and technology policy
- Transportation and economic development in the Upper Midwest
- Telecommunications and rural development
- Value added strategies: Ethanol and public policy
- Health care costs
- Recycling: Global and local markets
Minnesota Department of Trade and Economic Development (formerly Minnesota Department of Energy and Economic Development)

The following are major research activities undertaken by Policy Analysis staff under the leadership of Lee W. Munnich, Jr.:

- Challenge to Change, 1991 - A report on a survey of 1,200 Minnesota on issues of importance to the Minnesota economy
- Monitoring the Outcomes of Economic Development Programs, Urban Institute, 1987-1988 - A joint project with the Urban Institute to develop a performance monitoring system for the MN Department of Trade and Economic Development
- Governor's Commission on the Economic Future of Minnesota, 1985-1986 - Staff support for 47-member Governor's Commission, including eight research papers.
- Governor's Commission on Pipeline Safety, 1986 - Staff leadership and support for commission established to research and find solutions to problems of pipeline safety following a major pipeline explosion which resulted in two deaths.

Minnesota Business Partnership

The following were major research activities managed or conducted by Lee Munnich, Jr. while research director for the Minnesota Business Partnership:

- K-12 education - responsible for major consultant study on reforming K-12 education in Minnesota
- State-local tax policy - conducted research on alternatives to Minnesota's property tax relief, classification system and formula aids.
- Spending strategies - developed scenarios for long-term alternative spending strategies

Minnesota House of Representatives

- State-local fiscal system - developed alternative state-local fiscal scenarios for local government advisory committee.
- Business climate - paper analyzing issues in business climate debate.

Midwest Research Institute

- Manufacturing and Services in Minnesota, 1978 - study for Minnesota State Planning Agency; Lee Munnich authored section on service industries
- Economic development studies
- Commercial and market studies
PUBLICATIONS


TEACHING

Winter 1992 PA 5591, State Economic Strategies Workshop. Explores new institutional structures and processes required to deal with economic change, new political realities, and evolving knowledge. Graduate student teams prepared state economic strategies for Minnesota, Iowa and Montana, consisting of a diagnosis of opportunities and risks, a vision for the future, and actions that are in accord with that vision. New course, to be offered again in Winter 1993.

MILITARY

CURRICULUM VITAE

ROBERT THOMAS KUDRLE

Office Address: Hubert H. Humphrey Institute of Public Affairs
300 Humphrey Center
University of Minnesota
Minneapolis, MN 55455  (612) 625-3338

Home Address: 4650 Fremont Avenue South
Minneapolis, MN 55409  (612) 825-6096

Born: August 23, 1942
Sioux City, IA

Family Circumstances:
Married to Venetia Hilary Mary (Thomas) Kudrle
Children: Paul John Reginald
          Thomas David Chester

Present Position:
Associate Dean for Research, Hubert H. Humphrey Institute
of Public Affairs, 1992-

Director, Freeman Center for International Economic Policy, 1990-

Professor, Hubert H. Humphrey Institute of Public Affairs, 1983-

Previous Experience:
Director, Master of Arts Program in Public Affairs, 1984-1986.

University of Minnesota: Instructor, Assistant, and Associate Professor, Institute of Public Affairs, 1972-1983.

Assistant and Associate Director, Harold Scott Quigley Center of International Studies, 1972-1982.

Texas A&M University: Lecturer, Department of Economics, 1971-72.


Graduate Studies:

University of Oxford, M. Phil. (Economics) 1967.
Scholarships and Fellowships:

- Rhodes Scholarship, 1964-67;
- Nuffield College Studentship (University of Oxford), 1966-67;

Undergraduate Studies:


Selected Publications:

"Prescription Drugs," (with Karen Lennox), Ibid.


"U.S. Policy Toward Direct Foreign Investment" (with Davis B. Bobrow), World Politics, April 1982.

Reducing the Cost of Dental Care, edited with Lawrence Meskin, University of Minnesota Press, 1983.

"Introduction" (with Lawrence Meskin).

"Alternative Delivery Systems," Chapter 2 (with Howard Ballit).

"Summary and Conclusion," Chapter 7 (with Lawrence Meskin).


"Introduction" (with Roger Benjamin and Jennifer McCoy).

"The Correlates of Direct Foreign Investment in Developing Countries: Some Recent Evidence," Chapter 8.


"Disclosure Alternatives for the Multinational Enterprise and Their Consequences" (with Davis B. Bobrow), Journal of World Trade Law, September-October 1984.


State Evaluation of Foreign Sales Efforts (with Cynthia M. Kite), Center for Urban and Regional Affairs, University of Minnesota, 1988.


"Avoiding the Perils of Success: Japan Looks Ahead" (with Davis B. Bobrow), International Studies Notes, Winter, 1990.


"The Success Trap: Japan's Choices At Home and Abroad" (with Davis B. Bobrow), Futures, Summer, 1990.

"Convergence and Differentiation: Cooperation Among the G-7" (with Davis B. Bobrow) in David Rapkin, ed., World Leadership and Hegemony, Lynne Rienner Publisher, 1990.

"Japan's Options In An Impatient World" (with Davis B. Bobrow), The American Oxonian, Spring, 1990.


"The Determinants of Location of Foreign Direct Investment in the United States," supported by the Center for Urban and regional Affairs, University of Minnesota.


"Unfair Trade Action in the Steel Industry" (with Stefanie Lenway), to be presented at the 1992 Annual Meeting of the American Political Science Association.

Consultancies:

Public Interest Economics Center, Washington.

Center for Health Administration Studies, University of Chicago.

Agency for International Development, Washington

Antitrust Division, U.S. Department of Justice, Washington.

Arthur D. Little, Inc., Boston.

Family Health Care, Inc., Boston.


School of Dentistry, University of Minnesota.

Consumer and Corporate Affairs, Ottawa, Canada.

Heller, Ehrman, White, and McAuliffe, San Francisco.

Moss, Flaherty, Clarkson, and Fletcher, Minneapolis.

Robins, Zelle, Larson, and Kaplan, Minneapolis.


Pan American Health Organization (World Health Organization),
Washington.

St. Paul Progress, Inc. (World Trade Center), St. Paul.

First Bank System, Minneapolis.

Honeywell, Incorporated, Minneapolis.

Overseas Private Investment Corporation (OPIC), Washington.

Minnesota Retail Merchants Association, St. Paul.

O’Connor and Hannan, Minneapolis.

Communication Industry Coalition, Minneapolis.

**Professional Memberships and Activities:**


International Studies Association, Scientific Publications Committee, Chairman, 1984-

International Studies Association, International Political Economy Section Council Member, 1986-


International Studies Association, Program Co-chairman, 1979 Annual Convention, Toronto.

Midwest Political Science Association; Program Chairman for International Political Economy, 1982.


American Economic Association.
Association for Policy Analysis and Management (Institutional Representative).

Editorial Experience and Responsibilities:


Editorial Board, *International Studies Quarterly*, 1985-

Editorial Board, *International Political Economy Yearbook*, 1983-

Editorial Board, *Journal of Health Politics, Policy, and Law*, 1981-


CURRICULUM VITA
Randolph Lee Cantrell
February 1991

EDUCATION

B.A., March, 1971, Michigan State University. Major in Multidisciplinary Social Science, with core areas in anthropology, economics and business management.

M.S., September, 1973, Cornell University. Major in Manpower Studies at the New York State School of Industrial and Labor Relations.


PROFESSIONAL EXPERIENCE


March, 1989 to September, 1990: Interim Program Leader for Community Economic Development, Minnesota Extension Service. Charged with providing direction to program development, personnel and budget for statewide community economic development activities.

December, 1987 to March, 1989: Extension Specialist and Associate Professor, Minnesota Extension Service, Educational Development Systems. Primary assignment as Community Design Program Leader for Project Future, with responsibility for creation of an on-line information system, program development, material development and staff development associated with Project Future's community revitalization efforts in five pilot communities in rural Minnesota.

April, 1985 to December, 1987: Extension Educator and Associate Professor, Minnesota Extension Service, Educational Development Systems. Primary assignment as administrative head of the Minnesota Analysis and Planning System (MAPS). Duties included management of MAPS staff and budget, education on data analysis and secondary data resources, research consultation with University faculty, government and business, and coordination of Minnesota State Data Center activities with the Office of the State Demographer.
September, 1978 to April, 1985: Extension Specialist and Assistant Professor of Rural Sociology, University of Minnesota. Primary assignment as Community Resource Development Specialist with the Minnesota Extension Service. Secondary duties included research for the Minnesota Agricultural Experiment Station and teaching in the College of Agriculture (Resource and Community Development and Minnesota Community) and the College of Liberal Arts (Rural Sociology).


September, 1976 to September, 1978: Assistant Professor of Sociology, Siena Heights College. Courses taught included Introductory Sociology, Research Methods, Social Anthropology, Seminar in African Development, Labor Relations and Social Welfare Systems. Committee assignments included Chairmanship of Student Life Committee and Chairmanship of the President's Committee on Campus Governance. Faculty Advisor to the College Outing Club.


September, 1971 to June, 1976: Graduate Teaching and Research Assistantships, Cornell University.

1) Research Methods, Department of Rural Sociology
2) Introduction to Sociology, Department of Rural Sociology
3) Communications in the Workplace, Department of Manpower Studies
4) Research on New York Communities as part of an interdisciplinary analysis of the effects of Tropical Storm Agnes
5) Research associated with Operation Hitchhike, a program in rural development

PUBLICATIONS

1) Papers Published


"Creating Community Solidarity Through Cultural Festivals." In Small Towns: Culture, Change and Cooperation. 1992, Western Governor's Association, Denver, Colorado.


"Authority, ideology and community participation of rural clergy." (jointly with J. Krile, and G. Donohue) Sociology of Rural Life, Vol. 6 (summer), 1982.


2) Papers Presented at Professional Meetings

Toward Healthy Rural Communities: Some Thoughts on Community Viability in 90's. Keynote Address, EDA Midwest Regional Conference, October 30, 1991, Minneapolis, Minnesota.


3) Work in Progress

The Rural Community and the Church. Book in progress.


Take Charge for Community Services (member of the committee). Workbook and curriculum funded by North Central Center for Community Resource Development.

GRANTS

USDA Special Projects Grant in support of Project Future.


University of Minnesota Graduate Research Grant for a study of ethnicity and third-party politics in the upper midwest, 1982.

Minnesota Humanities Commission Grant for a nine-part film and lecture series on rural issues, 1984.

HONORS AND ACHIEVEMENTS

1) B.A. with High Honor
2) Phi Kappa Phi Honor Society
3) Gamma Delta Sigma, Honor Society of Agriculture

CONTINUING PROFESSIONAL IMPROVEMENT

1) Member, Governor's Design Team for Alexandria Minnesota, April, 1992.
2) Member, Rural Sociological Society
3) Member, Community Economic and Natural Resource Development Section of MAEA
4) Member, Sociologists of Minnesota
5) Member, Minnesota Leadership Educators Network

SPECIAL CONTRIBUTIONS TO THE COMMUNITY AND PROFESSION

1) Member and chair of North Central Extension Sociology Committee
2) College of Agriculture Ad Hoc Committee on China
3) Minnesota Rural Crime Prevention Task Force
4) President's Ad Hoc Committee on Employment Opportunities, Rural Sociological Society
5) Resource and Community Development Curriculum Committee
6) North Central Region Rural Crime Interest Network
7) Faculty Consultative Committee Constitutional Revision Committee
8) Volunteer Reader, Minnesota State Services for the Blind, Radio Talking Book Division
9) Chair, National State Data Center Committee on Training Needs

PERSONAL

Address: 1656 132nd Lane NE Blaine, MN 55434
Phone: (612) 757-8230 (home) (612) 624-3070 (work)

Birth Date: May 11, 1949
SS#: 371-54-0004
Ragui Assaad

ADDRESS: 232 Humphrey Center, 301 19th Ave. S.
Minneapolis MN 55455
Tel: (612) 625-4856. FAX: (612) 625-6551
Email: RASSAAD@HHH.UMN.EDU

CITIZENSHIP: Egyptian

EDUCATION: Ph.D. in City and Regional Planning, Cornell University, 1991.
M.S. M. E in Mechanical Engineering, Stanford University, 1981.
B.Sc. in Physics, Stanford University, 1981.


Specialization: International economic development, labor economics, urban and regional planning.
Research interests: labor markets in developing countries, urban poverty and employment.

GRANTS, HONORS, and AWARDS:
- University of Minnesota Graduate School Grant-in-Aid for research on urban poverty and the labor market in Cairo, Egypt, 1992.
- International Doctoral Research Fellowship (Social Science Research Council), 1987-88.
- American Research Center in Egypt Doctoral Fellowship, 1987-88.
- Sage Graduate Fellowship (Cornell University), 1985-86, 1986-87.

WORK EXPERIENCE:

Full-time Positions:
1990- Hubert H. Humphrey Institute of Public Affairs, the University of Minnesota Assistant Professor of Planning and Public Affairs.


1982-84 Environmental Quality International (EOI), Cairo, Egypt. Project Manager, Solid Waste Management Dept.. Managed a program of institution-building and technical assistance to the association of Cairo's traditional garbage collectors (the zabbaleen).

Part-time and Consulting Work:
1992- The World Bank. Consultant to the Middle East and North Africa Region to undertake study on labor market reform and structural adjustment in Egypt and to co-author of a survey of labor market issues in the Middle East and North Africa for The Initiative to Encourage Economic Research in the Middle East and North Africa.

1992- Environmental Quality International Senior Adviser, the Zabbaleen Development and
Ragui Assaad

Environmental Project, funded by the Ford Foundation.

1991-1992
UNICEF, Middle East and North Africa Office. Contract to write background paper on urbanization trends in the Middle East and North Africa with a focus on women and children.

1988-90
Economic Development Institute, The World Bank. Contract to write a paper on structural adjustment and the labor market in Egypt in collaboration with Simon Commander from the EDI staff (see publications section).

1988
Employment and Development Dept., International Labour Office. Contract to write a paper on the construction labor market in Egypt (see publications section).

Cornell University, Dept. of City and Regional Planning.

1985-86
Research Assistant. Assisted Professor Stan Czamanski on a research paper entitled "Patterns of Industrial Development in Open Economies under Labor Market Disequilibrium."

1984-85
Teaching Assistant. Urban Economics.

Stanford University.

1979-80
Research Assistant. High Temperature Gasdynamics Laboratory. Developed electronic diagnostic system for an experimental magneto-hydrodynamics generator. Conducted experiments to measure electric properties of electro-static precipitators in coal power plants.

LANGUAGES: Fluent in Arabic, English and French.

PUBLICATIONS:


WORKING PAPERS AND IN PROGRESS:


"Urbanization trends in the Middle East and North Africa: A focus on women and children." Paper commissioned by
the Middle East and North Africa office of UNICEF. Currently being revised for publication in *Regional Papers*, The Population Council, West Asia and North Africa Region.

"Kinship ties, social networks, and segmented labor markets: Evidence from the construction sector in Egypt," invited for re-submission to the *Journal of Development Economics*.


"Labor market reform and structural adjustment in Egypt." Paper commissioned by the Middle East and North Africa Region of the World Bank.


**PROFESSIONAL ACTIVITIES:**

Member, Association of American Collegiate Schools of Planning, Middle East Economic Association, Middle East Studies Association.


Associate Editor, *Middle East Studies Association Bulletin*.

THOMAS F. LUCE, JR.
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Minneapolis, MN 55419
(612) 827-0123

Hubert H. Humphrey Institute
of Public Affairs
University of Minnesota
301 19th Avenue S., Rm. 261
Minneapolis, MN 55455
(612) 626-7872
tluce@hhh.umn.edu (e-mail)

EDUCATION

Ph.D. University of Pennsylvania, Public Policy Analysis, 1989
   Fellowships: University (three years); Graduate Group (one year)
   Dissertation: Fiscal Federalism, Local Fiscal Stress and Economic
   Development


B.A. Swarthmore College, Economics (with Distinction), 1974

EMPLOYMENT

Academic

1991-
Assistant Professor of Public Affairs and Planning,
   Hubert H. Humphrey Institute of Public Affairs, University of
   Minnesota: Participation in Masters Programs in Public Affairs
   (M.A.) and Planning (M.P.)
   teaching: state and local public finance, urban affairs and economic
   development, intergovernmental relations, applied statistics
   service: faculty and research fellow search committees (91-92),
   computer committee chair (92-93), curriculum committee (92-93)

1988-91
Assistant Professor of Public Administration and Policy Analysis
   Department of Public Administration, Pennsylvania State University:
   Participation in Masters of Public Administration (M.P.A.) and
   Policy Analysis (M.Sc.) degree programs
   teaching: microeconomics, political economy of the public sector,
   economic development, urban affairs, applied statistics
   service: M.P.A. admissions committee (1989-90), supervision of
   computer laboratory (1990-91), departmental faculty search
   committee (1990-91), university search committee for Director of
   the School of Public Policy and Administration (1990-91)

1983
Instructor
   University of Pennsylvania, Wharton School, M.B.A. Program, The
   Political Economy of Public Management

1982-85
Teaching Assistant, University of Pennsylvania
   Urban Public Management and Private Sector Economic
   Econometrics, M.A./Ph.D. program in Energy Management and Policy,
   School of Public and Urban Policy, 1983 and 1984
   Microeconomics, M.A./Ph.D. program in City and Regional Planning,
   School of Fine Arts, 1982
EMPLOYMENT (continued)

Research


1992-93 Principal Investigator, Regional Sewer and Transportation System Rate Structure Study: $100,000 study examining the economic development implications of the provision and pricing of transportation and waste water collection and treatment infrastructure in the Minneapolis-St. Paul metropolitan area. Authorized by the Minnesota House of Representatives with funding from the Metropolitan Waste Control Commission.


1984-88 Associate Director, Wharton Economic Monitoring Project, Department of Public Policy and Management, Wharton School, University of Pennsylvania: Research project leading to three books (see Publications) on the Philadelphia metropolitan area economy and public sector.

Government

1977-80 Financial Specialist, City of Wilmington, Delaware: Financial planning of CETA employment and training programs and subcontract management for grants to local non-profit organizations.

PUBLICATIONS

Books

Local Fiscal Issues in the Philadelphia Metropolitan Area, (with Anita A. Summers), University of Pennsylvania Press, October, 1987

Economic Development Within the Philadelphia Metropolitan Area, (with Anita A. Summers), University of Pennsylvania Press, January, 1987

PUBLICATIONS (continued)

Articles

"Local Taxes, Public Services, and the Intrametropolitan Location of Firms and Households," under review


Research Reports

Implementation of the JOBS Program for AFDC Recipients - State and Local Program Development, JOBS Implementation Study, Rockefeller College of Public Affairs and Policy, SUNY-Albany, March, 1993

Regional Waste Water Collection and Treatment Rate Structure Study, with Herbert Mohring and Barbara Lukermann, Center for Urban and Regional Affairs, University of Minnesota, December, 1992

Local Implementation of the Job Opportunities and Basic Skills Training Program in Pennsylvania, JOBS Implementation Study, Rockefeller College of Public Affairs and Policy, SUNY-Albany, December, 1991

State Level Implementation of the Job Opportunities and Basic Skills Training Program in Pennsylvania, JOBS Implementation Study, Rockefeller College of Public Affairs and Policy, SUNY-Albany, December, 1990

The Role of the Legal Services Industry in the Philadelphia Economy, Philadelphia Bar Association, October, 1987

PUBLICATIONS (continued)

Work in Progress

"Causes and Consequences of Growth Control Policies in U.S. Suburban Areas," empirical analysis of the economic and social characteristics associated with the implementation of various growth management tools using survey, census, employment and other data for approximately 1300 jurisdictions in 60 metropolitan areas; with the Wharton Urban Decentralization Project, University of Pennsylvania.

"Growth and Decline in Sixty U.S. Metropolitan Areas: A Direct Comparison of the Effects of Inter- and Intra-metropolitan Tax and Public Service Differentials": empirical analysis of data for 2600 jurisdictions in sixty large metropolitan areas; with the Wharton Urban Decentralization Project, University of Pennsylvania.

The economic development implications of reforming the regional provision policies and user charge systems for transportation infrastructure to reflect spatial variations in marginal costs in the Minneapolis-St. Paul metropolitan area. For submission to the Minnesota House of Representatives, the Twin Cities Metropolitan Council, and the Metropolitan Waste Control Commission.

CONFERENCE PAPERS AND PRESENTATIONS

"Implementation of Job Opportunities and Basic Skills Training Programs in Pennsylvania," participant in a roundtable on Rockefeller Institute of Government JOBS Implementation Study, Association for Public Policy Analysis and Management Annual Research Conference (APPAM), Bethesda, October, 1991

"Local Taxes and the Intrametropolitan Location of Firms and Households," APPAM, San Francisco, October, 1990

"The Determinants of Metropolitan Area Growth Disparities in High-Technology and Low-Technology Industries," Southeastern Conference for Public Administration, Clearwater, October, 1990

"State Science and Technology-Based Economic Development Strategies," (with D. Rahm), American Society for Public Administration, Los Angeles, April, 1990

"Local Political Institutions, Fiscal Stress, and Interactions between Demand for Municipal and School Services," APPAM, Seattle, October, 1988

"Fiscal Implications of the Changed Economic Development Map of Urban Areas," (with Anita A. Summers), APPAM, Bethesda, October, 1987


"Decentralization of American Metropolitan Areas: A Philadelphia Case Study," (with Anita A. Summers), APPAM, Austin, October, 1986
CONFERENCE PAPERS AND PRESENTATIONS (continued)


"The Determinants of Regional Growth Disparities in Manufacturing," APPAM, Washington, DC, October, 1985

"The Effects of Supplemental Income and Labor Productivity on Metropolitan Area Labor Cost Differentials," Cleveland Conference on Labor Costs and Their Effects on the Region, Federal Reserve Bank of Cleveland and the Regional Economic Issues Program, Cleveland, May, 1985

"State Support Under the New Federalism," (with Janet Rothenberg Pack), APPAM, Minneapolis, October, 1983

PROFESSIONAL ACTIVITIES

Referee, Journal of Policy Analysis and Management

Professional Association Memberships:
The Association for Public Policy Analysis and Management
The American Economic Association
The National Tax Association
CANDACE D. CAMPBELL

149 SE Bedford Street
Minneapolis, Minnesota 55414
(612) 378-7617 (H)

Skills:
Project Planning, Development and Management; Research; Writing; Public Speaking; Program Evaluation; Policy Analysis

Education:
Master of Arts in Public Affairs, Hubert H. Humphrey Institute of Public Affairs, University of Minnesota, 1989.

Bachelor of Arts in Urban Planning, University of Illinois at Champaign-Urbana, 1979.

Other Training:
Conserve Neighborhoods Short Course, National Trust for Historic Preservation, Duke University, 1983.

Women's School of Planning and Architecture, St. Francis College at Biddeford-Saco, Maine. Participated in a course led by architectural and planning journalists, Ellen Berkeley, entitled, "The Community Context of Town Development," 1975.

Professional Experience:
September 1989 - Present
Hubert H. Humphrey Institute of Public Affairs, University of Minnesota, 301 19th Ave. South, Minneapolis, MN 55455 (612) 625-8358

Research Fellow, as part of State and Local Policy Program, a grant funded initiative which conducts research and convenes meetings with citizens, policymakers and other private and public sectors leaders to address programs, policies and issues aimed at enhancing the economic development of the Upper Midwest region. Responsibilities include developing consultations on policy issues as well as writing project proposals and managing research and policy development projects. Areas of concentration include technology transfer and development, science and technology policy, mechanisms for new venture finance (seed capital), urban and rural industrial development, economic diversification, community development and the role of transportation in economic development.

Academic Years
Fall 90 - Present
Principal Investigator with Dr. Wilbur Maki (Agricultural and Applied Economics) and Dr. David Brasing (Regional Econometrics, Inc.), entitled, Changing Structure of Local Economies: Implications for Public and Private Transportation Investment in the Upper Midwest. This project is part of an ongoing study on Transportation and the Economy of the Upper Midwest funded by the University of Minnesota Center for Transportation Studies which uses economic models (input-output, trade and network) to estimate future demand for transportation by mode and by industry in the region under alternative future scenarios. Analysis of models as well as findings from a survey of over 50 firms in four selected industries: grain, printed matter, computing equipment and transportation equipment and focus groups
with carriers and modal representatives provide recommendation for public policy.

Spring 1991 - Spring 1993

Instructor - Tools and Techniques of Community and Economic Development (PA 5594) a graduate level course covering the practice of community and economic development, including market analysis, feasibility studies, development planning, industrial targeting, business retention and expansion, location analysis, community-level strategic planning and new business development strategies. Guest lecture in Community-based Development course entitled, "Neighborhood-Based Development: Its History and Future" (Fall 1991).

June 1990 - July 1992 (Half-time)

President, Minnesota Project Outreach Corporation, 111 Third Ave. South; Minneapolis, MN 55401

A non-profit corporation set up by the Minnesota state legislature to provide technical and business assistance information to small and medium sized companies. Major responsibilities include negotiating and managing a two year $4.4 million contract and one-year $1.2 million contract extension with private vendor (Telloch, Inc.), overseeing development and launching of new product (service), creating and implementing marketing strategy, supervising corporate finance, representing corporation and its services to the public and the legislature, working with public and private sector board of directors. Sponsors include the University of Minnesota, the Minnesota Department of Trade and Economic Development and the Greater Minnesota Corporation (now Minnesota Technology, Inc.).

November 1988 - June 1990

Partner and Senior Associate, Pryde, Roberts Development Services, 2700 University Ave. West, Suite 250; St. Paul, Minnesota 55114

Partner and co-founder of a national development consulting practice targeted toward the development of strategies for new and small business development including business incubator facilities, research parks and other technology transfer mechanisms, seed capital and revolving loan funds, targeted industries strategies and other economic development techniques. Responsibilities included project development and management, client relations, research and writing as well as business administration and employee supervision for the firm. Projects include economic profiles, market analyses, real estate feasibility, site selection, project financing, and project development and management. Clients have included the Greater Minnesota Corporation, the National Rural Electric Cooperative Association, the Prudential Foundation (Newark, N.J.), Greater Baltimore Committee, National Council of La Raza, Southeast Minnesota Rural Initiative Fund (Business Innovation Center), Stevens County (Minnesota) Economic Improvement Corporation (Agricultural Utilization Research Institute), several rural electric cooperatives throughout the U.S. as well as other private business clientele.
Regional Manager; Pryde, Roberts and Company; 2700 University Ave. West, Suite 250; St. Paul, Minnesota 55114

Regional Manager of a Washington, D.C.-based development consulting firm specializing in economic and small business development. Responsible for the generation contracts and management of development projects within the central United States. Projects ranged from the development of business incubation system geared toward innovative high growth firms for the Ft. Worth (Texas) Chamber of Commerce to consulting with a rural town of 1200 in a county of 12,000 in Western Minnesota and a technical college's eight county region of Northeastern Iowa in developing a business incubation system in rural agriculturally-based economies, to feasibility and development planning for an incubator project in St. Cloud (Minnesota), Cincinnati (Ohio) and other midwestern communities, to conducting the market analysis and developing a business plan under subcontract to the National Center for Neighborhood Enterprise and the Urban Mass Transportation Administration for a new innovative service business in Boston (Massachusetts) and Cleveland (Ohio). My activities included market analysis, organizational and management plans, development and implementation, and project financing.

Research Coordinator; Cooperative Community Development Program; Hubert H. Humphrey Institute of Public Affairs, University of Minnesota; Minneapolis, Minnesota

As Principal Investigator for a grant funded research project on the effectiveness of business incubators at job creation and economic development in the U.S., Canada and Western Europe. I was responsible for developing the research proposal and design, completing data collection and analysis, and presenting research findings as well as project fundraising, hiring and supervision of project staff and grant administration for this study supported by the Charles Stewart Mott and Joyce Foundations. The study, Change Agents in the New Economy: Business Incubators and Economic Development, was published by the Charles Stewart Mott Foundation in 1988 and the National Business Incubation Association in 1990.

Executive Director, Minnesota Center for Community Economic Development; Minneapolis, Minnesota

As Executive Director of a state-wide association of community-based economic development organizations, I was responsible for providing services to the membership. My activities included membership and organizational development; program planning; developing training and technical assistance resources; fundraising; representing the members' interests to the Minnesota Department of Energy and Economic Development, the Minnesota State Legislature and the general public; developing organizational literature; and planning and supervising research on community-based economic development.
October 1983 -
December 1984  
**Research Assistant**, Cooperative Community Development Program; Hubert H. Humphrey Institute of Public Affairs, University of Minnesota; Minneapolis, Minnesota

As a research assistant, I undertook a survey of small business incubators throughout the United States. This project included developing a survey instrument, conducting interviews and compiling the results. The study, *Business Incubator Profiles: A National Survey*, was published in July 1984. Over 2,000 copies have been distributed and the study is cited widely among economic development writers. Subsequent to the publication of the study, I worked with the U.S. Small Business Administration to organize the first national conference on Business Incubators in August 1984 and with program staff and other national organizations to organize a conference for public officials and community-based organizations, "Building Your Own Business Incubator," held in Minneapolis in May 1985 and attended by over 90 participants from the U.S. and Canada. A third project involved research and writing on state policies and program for incubator development.

August 1982 -
August 1983  
**Neighborhood Revitalization Specialist**, Neighborhood Development and Conservation Center; Oklahoma City, Oklahoma

As a staff member of this citizen-based non-profit organization, I provided technical assistance to various neighborhood associations and development organizations in an effort to revitalize the city’s low-income, CDBG-targeted neighborhoods. My activities included conducting neighborhood inventories and needs assessments, writing reports and projects proposals, developing a 10 month series of workshops on housing rehabilitation and home ownership, developing brochures and newsletters, organizing business owners for neighborhood commercial revitalization, organizing neighborhood residents for crime prevention and neighborhood self-help activities, and advocating for neighborhood issues with community and governmental forums.

June 1982 -
August 1982  
**Project Planner**, United Way Helpline and Information Referral Service; Norman, Oklahoma

My task was to develop an information system for community resources: social service providers, government agencies, cultural and civic organizations. This included planning and implementing a survey instrument, coding and classifying information and creating a format and approach for Helpline's publication, Community Resources Directory. In this capacity, worked with the Helpline Director, the United Way Board and other volunteers.

January 1982 -
March 1982  
**Landman**, Millar B. White and Associates; Oklahoma City, Oklahoma

My duties were to complete title research for mineral and surface ownership of specific tracts of land for prospective oil and gas leasing.
August 1980 - November 1981
Housing Rehabilitation Specialist; Office of Housing Rehabilitation,
City of Oklahoma City, Oklahoma

As a housing rehabilitation specialist in a Community Development Block
Grant (CDBG)-funded loan program, I was responsible for making housing
inspections, specifying rehabilitation work and methods, estimating
rehabilitation costs, developing construction and materials specifications,
supervising contracts and contractors' work performance, approving change
orders and payment requests, mediating contractor-homeowner disputes and
counseling homeowners on loan procedures.

August 1978 - September 1979
Project Coordinator, Greek Revival Cottage Restoration Project, Champaign
County Historical Museum; Champaign, Illinois

I was responsible for federal grant administration, project planning, historical
and architectural research, on-site supervision of contractors and volunteers,
cost estimations, restoration budgets, work specifications and guidelines, and
coordination of project architects and contractors. I acted as staff support to
the volunteer Architectural Advisory Committee which had ultimate
responsibility for the proper restoration for the structure and its development
as a Historic Preservation Resource Center.

September 1977 - January 1978
Economic Analyst, Wayne County Regional Planning Commission;
Wooster, Ohio

As an analyst, I computed the value-added in manufacturing for the industries
in three major cities of Wayne County (pop. 100,000). In addition, I researched
existing and potential sites for industrial growth and development, and
surveyed the economic development activities of the private chambers of
commerce and other development organizations.

May 1977 - September 1977
Research Assistant, Parsons, Brinckerhoff, Inc.; New York, New York.

My major duties were to participate in consulting contracts which dealt with
plans for highway construction, water quality management, comprehensive
planning, airport and facilities development and light rail systems
development. I calculated data for economic impact statements, wrote and
edited interim and final reports and assisted with mapping and graphics.

January 1976 - March 1977
Internship Coordinator; Community Internship Program, Syracuse University;
Syracuse, New York.

The Community Internship Program was a student-run department of the
university which offered experiential learning for academic credit. As an
Internship Coordinator, I worked with members of the faculty, community
and student body to bring together such placements. In addition to
supervising interns, I developed program literature and participated in the
registration and management of program records.
June 1974 - September 1974

Job Opportunities for Youth Coordinator, Wayne County Human Services Center; Wooster, Ohio

Provided grant administration and implementation for program funded by the federal Law Enforcement Assistance Administration to establish summer jobs for "pre-delinquents." I sought placements for young workers in private industry in the area, counselled youths on job applications, interviews and work performance, and monitored their job placements. I spoke at civic and business organizations, wrote press releases, developed implementation procedures and compiled statistics on jobs and job placements.

Consultancies/ Presentations:

1993
- Annual Conference of Western Region Programs, U.S. Department of Commerce, Economic Development Administration, Denver, Colorado.
- Asociacion Mexicana de Incubadoras de Empresas y Parques Tecnologicos (Mexican Association of Business Incubators and Research Parks), Universidad Autonoma del Edo de Morelos, Cuernavaca, Mexico.

1992
- "Transportation and Economic Development of Upper Midwest," Transportation Research Forum, St. Louis, Missouri.
- Jessie Ball duPont Fund, as subcontractor to Rainbow Research (Minneapolis), to assess the potential and make recommendations for revitalization of the inner-city, economically and racially diverse Historic Springfield neighborhood of Jacksonville, Florida.
- Minneapolis Community Development Agency, expert on management of business incubators.
- Center for Transportation Studies, Third Annual Transportation Research Conference, "Changing Structure of Local Economies: Implications for Public and Private Transportation Investment in the Upper Midwest".
- National Business Incubation Association, Annual Conference, Austin, Texas, "Information as a Tool for Business Incubation."
- U.S. Office of Personnel Management, Manager Training, Denver Colorado, "Technology Transfer at State and Local Level."
- Minnesota Technology Corridor Corporation, Board of Directors, "The Potential for Research Parks and Technology Incubators."
- Ewing Marion Kauffman Foundation, Entrepreneurial Leadership Conference, Executive Advisor on Entrepreneurship.
- Minneapolis Foundation, Focus group on program related investments for incubator firms - seed capital for micro-enterprise.
- Wisconsin Business Incubation Association, Annual Membership Meeting, Milwaukee, "Business Incubators: University versus Non-University Organizations."
- Hubert H. Humphrey Institute, Institute Seminar, "Technology Transfer and Regional Development."
- Center for Transportation Studies, Second Annual Transportation Research Conference, "Transportation Costs of Production and Sales in the Upper Midwest Region."
- U.S. Senate Subcommittee on Small Business, Briefing on Business Incubation by the National Business Incubation Association.
Economic Development Committees, Minnesota House of Representatives and Minnesota Senate. Testimony on bill to establish pilot program to provide state support for business incubators in distressed communities.

New York City Partnership. "Business Incubators and Economic Development."


Minnesota Department of Trade and Economic Development. Star Cities Conference. "Business Incubators as an Economic Development Tool."

North Central Regional Center for Rural Development. Business Incubators as Rural Development Tool.

Florida Economic Development Center, business incubator development training.

City Venture Corporation, corporate strategic planning.

United States Securities and Exchange Commission, business incubator/ small business policy.

Department of Human Services, City of Chicago, training and initiation of process to identify enterprise opportunities on the West Side of Chicago.

National Development Council, training on business incubator development.

Minnesota Center for Community Economic Development, general advice and administration.

Pryde, Roberts and Company; Washington, D.C., project work on feasibility studies, project development, and operations and management of business incubator in Chaska, Minnesota; a medical-oriented incubator in Milwaukee, Wisconsin and a small business incubator for Anoka, Minnesota.

Tourism and Small Business, Province of Alberta, Canada, conference on small business incubators.

Asheville-Buncombe Development Corporation/Asheville Chamber of Commerce, organization and initiation of feasibility study for a business incubator.

U.S. Small Business Administration, advice and training for publications and conferences.

Harrison Neighborhood Association, Minneapolis, MN, neighborhood needs assessment.

Metropolitan Fair Housing Council, Oklahoma City, OK, research and write a consumers' guide to housing finance alternatives.

Association of Norman Neighborhood Associations, training on neighborhood strategies for participation in code enforcement.

Legal Aid of Western Oklahoma, expert witness based on the inspection, evaluation and report of condition of a residential structure.


Workbook for Policy Consultation Series on Transportation and Economic Development in the Upper Midwest, Section on Trade and Commerce, with David Van Hattum, June 1992.


Project Director and Editor, Community-Based Economic Development in Minnesota: An Update. Thomas Lussenhop, author. Center for Urban and Regional Affairs, University of Minnesota: Minneapolis, 1985.


Housing Finance Alternatives Metropolitan Fair Housing Council: Oklahoma City, Oklahoma, 1983.


Grants/Awards:

Principal Investigator: "Bilateral Technology Transfer between Businesses of the Red River Trade Corridor and Western European Regions with a Specific emphasis on Food Technologies and the Role of Respective Technology Centers," Red River Trade Corridor, University of Minnesota Experiment Station, USDA Community Services Research Service. FY 1993, $64,100.

Principal Investigator: "Freight Flows in the Upper Midwest," Center for Transportation Studies and Minnesota Department of Transportation, FY 1993, $50,000.


Principal Investigator. Charles Stewart Mott Foundation, Flint, Michigan. "Comparative Analysis of the Effectiveness of Business Incubators at Job Creation and Economic Development in the U.S. and Western Europe" 1986, $75,000.00.

Principal Investigator. Joyce Foundation, Chicago. "Comparative Analysis of the Effectiveness of Business Incubators at Job Creation and Economic Development in the U.S. and Western Europe" 1986, $15,000.00.


Professional Affiliations:


Other Affiliations:
- American Chamber of Commerce Researchers Association (1989 - present)
- American Economic Development Council (1988 - present)
- American Planning Association (1982 - present)
- Economic Development Association of Minnesota (1991 - present)
- Minnesota Center for Community Economic Development (1985 - present)
- Minnesota New Venture Collaborative (1990-1991)
- Minnesota Wellspring, Economic Strategy Committee (1992)
- National Association of Housing and Redevelopment Officials (1980 - 1986)
- National Council on Urban Economic Development (1986- present)
- National Trust for Historic Preservation (1978 - present)

Volunteer Activities:
- Board Member (1986- present) and Secretary (1987-1989), Farview Neighborhood Development Corporation, Minneapolis.

A community-based non-profit development corporation in a low-income neighborhood on the North side of Minneapolis responsible for constructing and rehabilitating affordable housing for homeowners or leasehold cooperatives and revitalizing a commercial strip of West Broadway.

Advisory Board Member (1989 - present), Franklin Business Center, Minneapolis.

A business incubator in a low-income inner city neighborhood organized as a subsidiary of the American Indian Business Development Center. As a Board member we set policy for operations, review tenants for occupancy and troubleshoot tenant business development problems, as needed.

Board Member and Chair of Marketing Committee (1987-1989), Southside Federal Credit Union, Minneapolis, Minnesota.

A community development credit union with $5 million in deposits, 3,300 members, operating for ten years. I was responsible for planning and coordinating marketing and member outreach activities of the credit union.

Founding Board Member (1985), Minneapolis Neighborhood Resource Center, Minneapolis.

A city-wide center for information, training and service to neighborhoods and neighborhood associations.

Personal Data: Birthdate: 7/27/57 Height 5'4" Weight 115 lbs. Excellent Health. Interests include skiing, canoeing, backpacking, antiques and travel.

References available upon request. February 1993
Participant Evaluation of State and Local Economic Development Strategy Summit

1. Was the purpose of the summit clear?

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3. How valuable was the material in State and Local Economic Development Policy at Zero-Sum Games?

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STATE and LOCAL ECONOMIC DEVELOPMENT STRATEGY SUMMIT

December 3-5, 1992
Summit Evaluation

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4. How valuable was the session Is State and Local Economic Development Policy a Zero-Sum Game?

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5. How valuable was the session The Global Economy: Can States be Effective Players in the International Arena?

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6. How valuable was the session Regional Economic Transformation: How Can States be Effective in Chaos and Uncertainty?

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7. How valuable was the session Evaluating Economic Development Programs: Is Anybody Doing It?

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8. How valuable was the session Third Wave Economic Development Strategies: What Are They? Will They Work?

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9. How valuable was the Roundtable Discussion: Where do We Go From Here?

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10. How valuable was the *Quality check and Wrap-up*?

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11. Were you satisfied with the facility and arrangements?

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12. How did you hear about the *State and Local Economic Development Strategy Summit*?

Received brochure in mail (24)

Picked up brochure on desk at HHH when I was picking up an application for Master's program.

Through my employer: MN Dept of Trade And Economic Development

I was asked to represent MCCED, Mn Center for Community Economic Development, a statewide association of 60 CDC’s and CED’s.

A friend told me about it

Department received a flyer

Through HHH staff

NCSL

Saw an advertisement in a business magazine - Corporate Report?

NCSL literature

Invited to speak

Fellow Colleague

Flyer sent to Political Science Dept. (University)

My boss received literature
13. I am employed by

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14. I am a Minnesota Resident

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15. What did you like best about the summit, and why?

Opportunity to hear perspectives of a variety of persons. It is both intellectually stimulating and provides background for my own involvement in economic development activities and teaching. Opportunity to talk individually with selected participants. It provides contacts which may be helpful in the future.

Specifically:
* Philosophical discussion between Bartik and Rolnick was useful.
* Bill Noethdurft speech was specific and informative.
* Ann Markusen speech was excellent - insightful, fast paced, no-nonsense.
* Robert Atkinson’s speech was informative.
* Bob DeLaVega’s perspectives on banking were useful - EXPAND HIS ROLE.
* Janet Jones’ speech was practical - useful to have good descriptions of “third wave” program.

Generally:
* Emphasis on role of government as information-provider, catalyst, coordinator.
Talking with peers. Listening to "academics" qualify and quantify what we practitioners do. (I didn’t know what we did was called 3rd Wave).

The opportunity to hear speakers on economic issues who were clean and easy to understand from across the country. The opportunity during breaks and lunch to talk to people about their programs from across the country.

Evaluating economic development programs.

Good gathering of very knowledgeable people. It stretched my mind and allowed me to evaluate future ED plans for the area I represent, based on future trends.

Excellent faculty (presenters). Good material. Good idea to have spectrum of speakers and ideas on the topics.


Some great speakers.

The roundtable discussion because of the more open exchange of ideas and closer interaction of panel members and audience.

Good speakers, focused on their expertise.

Wide range of very well formed ideas.

The exchange of ideas. The general discussion following presentations.

3rd Wave debate. Graham Toft’s & Bob Friedman’s comments.

It was timely and the topic selection was excellent. Also the speakers selected were top notch and they were not afraid to disagree with each other. Finally, there was a nice balance between theory and practice.

3rd Wave session - gave both sides. Zero sum - gave both sides.

The zero sum session was a very useful session to start with. I wish this dialogue would have continued as the summit examined specific types of programs: international, regional & 3rd wave.

Excellent speakers who not only were smart and thoughtful but animated! Not dry speaking style.

Good mix of theory and practice.

Stimulated thinking about ED in changing times and ways to measure results/impacts.

Chance to network/talk with other practitioners and top thinkers in the field.

An excellent intellectual discussion of the theory, background to economic development.

Increased my professional network. Written material to take back and refer to. Good mix of theoretical and practical. New list of resources to add to my library.

Large number of varying perspectives from well informed speakers. Networking - presentations were valuable for defining issues and raising questions for discussions at breaks and through evening.
Quality of speakers, choice of topics.

The presenters complemented each other well. The major issues facing economic development were presented and the focus on future direction was beneficial.

Nice, tight sessions timewise. Good variety of speakers. There was a lot of knowledge content.

Diverse opinions - good, fair debates.

Informative. Very interesting discussions. I enjoyed it!

Overall very helpful. Tim Bartik, Bill Nothdurft, etc., & feedback panel excellent.

Opportunity to "network" with other practitioners and to hear what "theorists" are working on/seeing. Finding common ground with States/groups that we often perceive ourselves as competing with. The "debate" sessions were insightful - and did help reveal commonalities but underscored the problems (some of them) we face.

Knowledgeable/articulate speakers.

All really great! Loved the long breaks to network, the audience feedback, etc.!

Program was top notch.

The last roundtable discussion.

The topics were fairly presented - both sides of arguments were professionally presented.

Debates.

Interesting topics! Introductions to the 3rd Wave which is about reevaluating our economic principles and assumptions was key for developing ideas of how I can focus my attention as I investigate economic development. Importance of reframing perceptions of economic development (politics) is key in stimulating imagination and innovation. Emphasize cooperation vs. competition.

The quality and stature of the speakers. Nice diversity of attendees among state, local, private and geography; wish I could have talked with more and learned about their perspectives.

The session The Global Economy: Can States be Effective Players in the International Arena? was the best ever, and I've been to a lot of seminars!

Speakers were very high-quality: good content and speaking styles. Audience really listened and got into the topics.
16. What would you change about the summit, and why?

The discussion on evaluation criteria needed some input from someone with a broader perspective - the criteria considered were much too narrow - this is a critical problem in the whole field, in my view, and the failure to address it is a significant shortcoming.

More aggressive attempt to get broader participation, both culturally and geographically.

Suggestions:
• Reinvite good speakers and make sure they are pushed with hard questions.
• Invite some educators. What are the roles of universities in Economic Development.
• Invite someone to talk about MN Project Outreach.
• Keep the emphasis on changing institutions to accommodate social and economic changes: How to get institutions cooperating better: state, fed, academic, industry.
• Address need for cooperation to solve environmental externalities across borders -- a flip side of economic development.
• More attention to women and minorities -- very important.

More from practitioners, like last session.

It may be lofty research that defines future policy. However, it is local communities, often small, who carry out the actual grass roots activities which result in jobs and the community changes stimulated by those jobs. This is rarely included in policy design. Example, university research funded to enhance rural business activity, but rarely including plan to introduce results into rural communities.

Maybe some time (not too much) for breakout/group discussions. Time in questions was limited, also somewhat intimidating.

Expand beyond Minnesota concentration to regional orientation, but don’t go national - isn’t practical to draw national attendees. You didn’t - so focus on regional issues or at least address it.

Add something on challenges, issues, success of being more inclusive - people of color, practitioners, profit/not for profit - in moving economic development agendas forward.

Try to provide even further dialogue between the audience and panel members. Other than that, nice job!

More time for question and answer sessions.

Perhaps too much lecture bowl atmosphere. Seemed to be more review and evaluation oriented at us vs. strategy suggestion oriented.

Reduce number of presenters per panel and focus on current debates between what’s new and best of old, i.e. 3rd wave issues session. Maybe add additional half day to permit more mixing between attendees and panelists.

Make it a full two days. Spend some more time on other theories of development other than 3rd Wave given the popular wisdom that economic development policy is rarely grounded in economic theory.

Too little time for audience questions. Presenters often given too little time for their presentation resulting in lack of time for questions.

Wasn’t enough time left for discussion in some sessions. Do away with speaker counter point and get to Q&A.
The regional economics transformation session was not particularly useful. Perhaps this session suffered from the loss of one speaker. I thought the session was weak in providing examples of "effectiveness" and demonstrating their effectiveness.

No thoughts. Wait. Good bibliography of what to investigate to learn more.

Shorten the moderators' introductory remarks and leave more time for speakers. Should have more control over the length of time given to each speaker. Would be very helpful if each speaker would provide an outline. Moderators should have a few questions ready to encourage discussion.

Need more attention to local economic development policy.

More interactive sessions.

Carol Conway's comment about having the presenters summarize where they agree/disagree was a good one. Try to do that. Also, the speech summaries were excellent. All the speakers should submit one.

Have an outreach to (including reduced rates (thank you for mine)):
- More women, especially entrepreneurs or in public sectors.
- More people of color
- More refined but interested people
- Include high school students

More time for small group discussion. Invite more private sector practitioners and users - we need that debate to bring reality to some of the discussions. We need to discuss potential issues as well.

Move to a weekday summit.

Should have been more literature, papers, state information programs, etc.

Should have had more private business representatives on panels. I think the concluding comments raised some of the more important issues such as diversity, the political gameplaying, how do you really coordinate the diverse parties - all with different views of the issues and the possible solutions.

Ask presenters to provide more examples and be more visual with overhead projectors, slides, videos, hand-outs, etc. Some of these speakers were rather dull.

Many of the basic problems/issues brought up in the roundtable should have been addressed - i.e. political element of Economic Development, diversity and social issues that impact the economic development of areas.

Don't hold it in the winter (December) in Minnesota! More practical applications - i.e. - developing an evaluation tool which State Departments of Commerce can use to help tailor their services toward "3rd Wave" strategies - a workshop session might be useful in the future - or, what are the nuts and bolts of the European strategies/programs - what can states do to implement them. Political discussion of economic development activities - how a public policy/economic development "professional" can work in this environment - political realities often shape our environment - what can we do? Broader representation - most attendees seemed to be from MN and neighboring states, and were white men. Where were sustainable development issues in our discussions? Lip service was paid to human investment - but no practical examples were provided - what is working locally, how do states participate, what stake do businesses take, etc.?
Get more legislators and business-people.

Needed to have invited local CDC network in Minnesota. 3rd Wave is big in "retail" service delivery, so the retail-local system would've been nice to have been heard from. (The feedback panel, though, helped a lot.)

I would not hold a conference this long in an auditorium. A "classroom" set up with tables is much preferred.

Get practical - a few more practitioners and a lot less Ph.D.s.

Less techy - more trading of ideas of "Joe Citizen."

How about a room that allows a little more space for taking notes.

I agree with Carol Conway in her comments that it is interesting to discuss differences between groups, but it would also be interesting to identify common grounds to know what will be the most politically expeditious pathways to achieve our goals. I agree with Susan Koch that we can't continue to avoid ecological impacts in economic development or diversity - need to integrate multi-cultural ideas.

Pursue some of these issues further. What is follow-up to this discussion?

Sessions with more than three people were too long. We can't stay focused for so long. Allow more time for small group interaction or other discussion. Needed a session on "sustainable development" - as important as "Third Wave." "Third Wave" is getting old, tired? Need a session on how politics influences economic development efforts and what we can do about that -- it was a theme among speakers, but they acted as if it wasn't worth talking about. Figure out how to get a diverse audience here.

17. Other comments or reactions?

Thank you for the opportunity to attend the conference. It was extremely informational and a truly educational experience with me.

Excellent follow-up to Marco Island! It would be nice to take coffee into the amphitheater.

Photographer running around was distracting.

Thanks for holding this - please do it again - I look forward to receiving the conference proceedings.

Excellent time keeping - I appreciate the close adherence to time schedule.

A handout regarding a bibliography of literature would be an excellent resource tool to take home and put in use. Also, a reference guide to players (federal, regional, state - not conference players) could be of value.

More handouts of presentations - actually the hand-outs could've been sent out ahead of time so we could've "studied" ahead of time.

More discussion should take place re: international trade agreements/state policy and economic development. This should be a critical discussion of negative and positive aspects of trade agreements.
Good program with good group of attendees, but they are mostly the implementers. Some way to involve policy makers in the discussion to a greater extent would be helpful. Barriers to appropriate policy development are an important aspect and we can't get the changes unless the policy makers are involved.

We need this type of dialogue more frequently.

What an excellent opportunity. Maybe you could organize a conference like this for cities in MN, for school districts in MN. They both deal directly with economic issues and are on the front lines because people hold the more accountable for how taxes are spent.

Good job.

Really good conference.

Obvious that the panel of speakers were well qualified and spoke at a level appropriate for this audience.

Two small "organizational" comments: 1) keep the photography - especially with a flash - to an absolute minimum. This was very distracting and annoying. 2) Try to keep people informed about changes in location. I had no idea that the reception was at the Holiday Inn. Since I stayed elsewhere, that made my walk longer, colder.

There is a gulf between those who are enthusiastic participants in the economic development process and those who are skeptical of its outcome and effectiveness. The evaluation session was very helpful. However, the gulf can also be bridged by pressing the advocates to provide more specific examples of how their programs are effective. For example, what have businesses in Oregon found to be beneficial from participating in particular "third wave" programs? There also seemed to be a presumption on the part of some summit participants that the U.S. has competitiveness problems. Yet there was very little analysis and discussion of what those problems are and how they are best remedied. For example, one speaker suggested that programs could take a look at all manufacturers which export less than 20% of their output as potential clients. Why is it a problem when a firm does not export? More generally, why is it a problem that U.S. firms do not cooperate with one another like European firms do? Are we worse off or better of as a result?

Kudrie's introduction was too long and took time away from speakers. We didn't come to hear about his old research.

Just a clarification. The rating of "3" which I gave to the evaluation section does not mean that the presenters did a bad job. Rather, I would have liked to have seen less on program evaluation and more on how to evaluate a state's development strategy.

Would have invited business community to participate on panel - only heard from Chair - the target of activities of business, therefore, they should have had lead role in proceedings.

Still a little unclear about what the product of the summit will be.

One of the best conferences I've ever attended, especially in terms of the value of the material and the quality of the speakers. Kudos to the organizers and all who participated.

Definitely the best economic development conference I've been to this year.

Thanks!

Excellent conference.
Statewide CDC's or CED's were not sent an invitation, nor was MCCED, nor were my state legislators. We implementors should be included.

If "third wave" economic development becomes the next "in" model and is used at the national level, we as practitioners will all be in trouble. There are so many good, exciting and productive things going on in our field - why did so much time go to thinktakers and academicians who had trouble articulating their "new theories?"

Excellent conference.

A place for comment on each session would be more helpful. On the questions "Was the purpose of the summit clear?" and "Did the summit achieve its purpose?" perhaps some lack of clarity of how much focus was to be broad-perspective issues vs. practical how-to-do-it, not a real problem for me - but at times presenters seemed to talk past each other. On *Is State and Local Economic Development Policy a Zero-Sum Game?*, both good presentations, but perhaps should have been linked closer to *Third Wave Economic Development Strategies: What Are They? Will They Work?* On *Roundtable Discussion: Where do We Go From Here?* I agree very much with the comments on politics, cultural diversity, and environment as significant omissions.

We need this same conference with local (ie. Minnesota) people giving all the talks and making up the entire audience, so we can figure out what it means for Minnesota. Can we set up working groups, following on this meeting and focused on specific aspects of the discussion? Do we have any programs to get young people from "diverse" cultures involved in economic development? Like internships or something.

Good show. Plenty of time for questions and schmoozing to leaven the proceedings. Excellent choice of panelists.

One of the best seminars on economic development.

**** Thank you for your comments ****
D.

State and Local Economic Strategy Workshop

While the role of opportunity cost in the economic strategy for a state cannot be overestimated, the study of state economic strategies and the process involved in developing a state's strategy should be a part of any economic strategy for a state. The course will also explore how economic strategies and programs are developed to deal with economic change. The political realities, and evolving knowledge.

Federal students will prepare state economic strategies in the course for a different state. During 1993, several federal economic strategy students for Minnesota, Iowa, and Montana, each state economic strategy will result in a strategy for 1994 and 1995, it reflects for the future, and students will be provided with this information. Students will have an opportunity to develop their own strategies by interacting with economic development practitioners and policy makers in each of the states.

Basic Readings

For information, please see the bibliography for the Federal Reserve Bank of Saint Louis, St. Louis, MO, 1990. All students and faculty will be provided with this information. Students will have an opportunity to develop their own strategies by interacting with economic development practitioners and policy makers in each of the states.

Requirements

Class participation in discussions

For additional information, contact:

Lee W. Martin, Jr.
Senior Fellow and Director
National Local Policy Program
120 Humphrey Center
1141 Wabasha St.
Minneapolis, MN 55403
612-625-1372 Fax 612-625-9832
Description:

While the role of state government in the economy is limited, state actions can be decisive in shaping the way a state economy adjusts to the competitive world economy. This course will present a comprehensive overview of state economic strategies and the processes involved in developing a broadly conceived economic strategy for a state. The course will also explore new institutional structures and processes required to deal with economic change, new political realities, and evolving knowledge.

Teams of students will prepare state economic strategies for up to five different states. During 1992 student teams designed economic strategies for Minnesota, Iowa and Montana. Each state economic strategy will consist of a diagnosis of opportunities and risks, a vision for the future, and actions that are in accord with that vision. Students will have an opportunity to interact by telephone interviews with economic development professionals and policy leaders in each of the states.

Basic Readings:

Other readings will be listed in the full course syllabus to be released in the fall.

Requirements:

Class size is limited to 15 students.

For further information contact:

Lee W. Munnich, Jr.
Senior Fellow and Director
State and Local Policy Program
150 Humphrey Center
301-19th Avenue South
Minneapolis, MN 55455
(612)625-7357 Fax: (612)626-9833
1992 STATE ECONOMIC STRATEGIES WORKSHOP

Feedback

Comments from State Economic Development Agencies:

I would commend the team for a most interesting and thought provoking plan. It is well organized, cogently written and thorough in its discussion and analysis. [Minnesota]

The staff here felt that what is in the paper is outstanding. They only wanted to read more detail on some of the ideas in the Action Plan. [Iowa]

I believe that these writers deserve a great deal of gratitude, credit and encouragement for the product they produced in the "Laboratory." [Montana]

Comments by graduate students in the State Economic Strategies Workshop

This was probably the best course that I have ever had.

The State Economic Strategies Workshop taught what a truly complicated process economic development is.

What I have learned in this course has made me both hopeful and cautious of the possibilities and limitations of state economic development policy and the role I could play in it.

I picked up as much in this class which I believe will be useful as any class in which I've participated in a long time.

If what I've gained from this class can be judged by coming to the right questions, and by learning to craft a defensible action plan given time and information constraints, then I'd have to say this class has taught me quite a bit.

The hands-on approach to this class was beneficial. Before this course, I would have had no idea how to diagnose a state's economy.

In this course I learned about a paradigm shift currently underway in state economic policy, and I learned about Iowa.

This course taught me different ways to look at economic development and the limited tools available to policy makers to stimulate economic activity. ... In terms of the objective set for this course and my own expectations, I feel very satisfied, enriched, and rewarded by the experience.
E.

State and Local Policy Program
The State and Local Policy Program

The State and Local Policy Program of the Hubert H. Humphrey Institute of Public Affairs draws upon the diverse research and professional talents of faculty at the University of Minnesota and other universities to examine public policy issues and help policy makers and citizens develop improved public policy strategies.

Its Mission

The State and Local Policy Program's established mission is to serve as a successful laboratory to improve policy making on issues related to development and sustainability of the quality of life, particularly in the Upper Midwest region. The program works in three ways to help state and local leaders and policy makers and citizens understand and address regional problems:

Convening: Increasing discussion and awareness of development issues in the region.

Contributing: Producing new information and ideas that improve the quality of discussion and debate of policy issues.

Changing: Helping to develop improved public policy in the region.

Its Priority Areas

The State and Local Policy Program undertakes projects in four areas important to the region. They are:

Infrastructure: To understand the importance of public investments in physical and human capital to the region's economy and to explore new models for infrastructure investment.

Quality, Productivity and Technology: To examine the role of quality, productivity and technology strategies in strengthening the region's competitiveness.

Regional Economic Strategies: To understand the regional economy, develop strategies based on the region's comparative advantages, and address problems of regional economic and income disparities.

Emerging Issues: To explore emerging state and local policy issues.
Its Vision

The State and Local Policy Program aims to:

- Work as a highly visible regional policy resource by partnering with government, business, academic, labor and community leaders;
- Conduct itself in a manner that is sensitive to the practical problems of policy makers, the timing of public issues, the need to leverage limited resources and the desire to include citizens in the policy discussion;
- Address strategic issues and tap the best in research and researchers;
- Use telecommunications and information technology effectively to promote communication and cooperation among regional policy leaders; and
- Be a hardworking, creative team with integrity and with a reputation for excellence, quality work and follow-through.

<table>
<thead>
<tr>
<th>State and Local Policy Program</th>
<th>Number of Participants by Project*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Science and Technology Policy in Minnesota (April-September 1991)</td>
<td>135</td>
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<tr>
<td>Telecommunications and Rural Development (June 1991-August 1992)</td>
<td>81</td>
</tr>
<tr>
<td>Ethanol and Public Policy Hearing (November 1991)</td>
<td>128</td>
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<tr>
<td>Transportation and Economic Development in the Upper Midwest (Beginning in November 1991, ongoing)</td>
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<tr>
<td>State Economic Strategies Workshop (January-March 1992)</td>
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<tr>
<td>Total Quality Workshop for Labor Leaders (April 1992)</td>
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<tr>
<td>Health Care Policy Advisory Committee (July-October 1992)</td>
<td>8</td>
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<tr>
<td>Science and Technology and Higher Education (October 1992)</td>
<td>34</td>
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<tr>
<td>State Budget Reform (October-November 1992)</td>
<td>146</td>
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<tr>
<td>Recycling Markets: Global and Local Trends (November 1992)</td>
<td>105</td>
</tr>
<tr>
<td>State and Local Economic Development Strategy Workshop (December 1992)</td>
<td>115</td>
</tr>
<tr>
<td>Defense Cutbacks Planning and Strategy Session (December 1992)</td>
<td>27</td>
</tr>
<tr>
<td>Exploratory, Planning and Other Activities</td>
<td>140</td>
</tr>
<tr>
<td><strong>Total Number of Participants</strong></td>
<td><strong>1,565</strong></td>
</tr>
</tbody>
</table>

* Since the program's inception in March 1991 through December 1992
The Public Policy Forum

Why is State and Local Policy So Important?

The 1992 presidential campaign significantly increased U.S. citizens' awareness of federal policy problems and challenges. Public expectations run high for the Clinton Administration and the newly elected U.S. Congress to tackle the nation's most urgent problems. Among the issues demanding policy leadership are the domestic economy, the federal deficit, environmental sustainability, health care access and costs, and shifting from a Cold War international policy to a market-driven world economy.

Federal policy priorities shape the public agenda and set the direction for all levels of government. While the federal government raises public expectations, it is the state and local governments that provide most of the services citizens consider important — education, transportation, public safety, natural resources, parks and recreation, libraries, economic and community development — as well as the social safety net for citizens in greatest need. Many of these state and local services depend, at least in part, on federal funding, which is likely to continue to decline as the president and Congress take steps to reduce the federal deficit.

The Humphrey Institute’s State and Local Policy Program is an outstanding model of how a university can help public policy makers understand and solve the challenging problems we face on a day-to-day basis. A university’s leadership in the area of public policy discussion and strategy development is critically important as state and local governments make the difficult but very important decisions on how to do more with less.”

— Governor Arne Carlson, State of Minnesota

Governors, state legislatures, city and county officials, school boards, university regents and community institutions all face the same dilemma — how to do more with less. The climate is right for bold and innovative strategies and for policy leaders who are not afraid to take risks. Change will occur. The only question is whether emboldened policy makers will lead the change, or whether change will be forced on them by an increasingly frustrated citizenry.

The State and Local Policy Program’s Role

The State and Local Policy Program has made significant progress toward involving a wide range of policy leaders and citizens and in raising the level of public awareness and understanding of important state and local policy issues. The policy directions in this report are only a sampling of the ideas that have emerged from research and consultations. They should be viewed as starting points for broader dialogue and policy leadership on these issues.
The policy directions were derived in several ways:

1. Research by faculty, State and Local Policy Program staff, and other academic and policy researchers, who helped to frame the critical policy questions and point to the best solutions.
2. Consultations with policy makers, business and academic leaders, informed practitioners, interest groups and citizens — on the need for change, the barriers and constraints to change, and the most effective policy and program options; and
3. Development and advocacy of policy alternatives and directions by program staff, drawing from the expertise of a wide range of advisers and the results of research and consultations.

The climate is right for bold and innovative strategies and for policy leaders who are not afraid to take risks. Change will occur. The only question is whether emboldened policy makers will lead the change, or whether change will be forced on them by an increasingly frustrated citizenry.

Lee W. Munnich, Jr.
Senior Fellow
Director of the State and Local Policy Program

The difficulties and challenges of bringing about change in public policy are great. Change in a democratic society requires knowledge, understanding, ideas and leadership by many different people. The State and Local Policy Program has broadened the policy dialogue that is necessary for change to occur. The program has extended the role of the Humphrey Institute of Public Affairs into a range of very timely policy issues important to communities, the Upper Midwest region and the nation as a whole.

The Humphrey Institute of Public Affairs expects that the policy issues it addresses will encourage expanded dialogue, as well as policy actions that will help shape state and local government priorities in the region and the nation for many years to come.

Business leaders have played a major role in the policy discussions.
State and Local Policy Program

1991-92 Faculty and Staff

G. Edward Schub, Professor and Dean. Hubert H. Humphrey Institute of Public Affairs
Lee W. Munnich, Jr., Senior Fellow and Director, State and Local Policy Program
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Randy Cantrell, Associate Professor
Thomas Luce, Assistant Professor
Estelle Brouwer, Research Fellow
Candace Campbell, Research Fellow
Gary DeCramer, Research Fellow
Barbara Rohde, Research Fellow
Ron Salmela, Research Fellow
Catherine Petersen, Transportation Consultant
Marit Enerson, Community Program Specialist
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Jackie Ferdig, Research Assistant
Amy Garwood, Research Assistant (through September 1992)
Brian Hanninen, Research Assistant
Lucy Klain, Research Assistant
Karen Linner, Research Assistant (through September 1992)
Sam Schuth, Research Assistant
David Seyfried, Research Assistant
David Van Hattum, Research Assistant
Lisa Zellmer, Research Assistant
Niv Goldberg, Student Office Assistant

Academic Partners

University of Minnesota
  • Center for Transportation Studies
  • Department of Agricultural and Applied Economics
  • Institute for Health Services Research/School of Public Health
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Norwest Corporation
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U.S. Department of Transportation, Federal Highway Administration
University of Minnesota, Center for Transportation Studies
University of Minnesota, Humphrey Institute of Public Affairs

For more information on the State and Local Policy Program, call 612-625-8575.
Hubert H. Humphrey Institute of Public Affairs
At the Hubert H. Humphrey Institute of Public Affairs, teaching, research, and outreach balance our students' need for academic theory plus real-world skills. We focus on solving problems while pushing out the frontiers of knowledge and preparing students for careers in an increasingly complex world.

Public Service in a Changing World

Dear Friend,

As part of a land-grant university system started in the nineteenth century to provide education to all of society, the Hubert H. Humphrey Institute of Public Affairs has a responsibility to extend the knowledge generated here to the general public. As an institute of public affairs we have a special mission to address major social issues. The bottom line of our mission to teach students, conduct research, and provide community service is to make people's lives better.

In our classes, we try to prepare students for a rapidly changing job market, where public service careers have expanded into all sectors of the business and nonprofit communities. The number of students applying to the Institute has increased in recent years, along with their Graduate Record Examination scores and other indicators of academic skills. This is a measure of our growing reputation. We are constantly trying to find the balance between theoretical work and applied skills that will best serve our students. We have two sets of clients to think about: our students and their future employers. Ultimately, we must serve both.

Many Institute programs give our students a chance to work on real problems. For example, student research assistants work on projects that will help determine how the United States fits into a new global economy, increase citizen participation in politics, and decide whether materials should be recycled if there isn't a market for the recycled product.

Another good example is our Economics Education and Management Training Project, whose goal is to help develop private enterprise and a market economy in Poland. Working with government, university, and other leaders who are struggling to change a planned economy into a free-market system gives faculty members new insights and fresh classroom material. Widespread faculty involvement in the project ultimately results in our students learning approaches and skills they can use throughout their careers.

We have had a relatively large turnover in faculty the past several years. To fill vacated positions, we have begun hiring people at the beginning of their careers. They have quickly become effective and contributing members of the Institute working on such issues as poverty, child welfare, and the environment. Real problems for many real people.

We continue to look at ways to increase the international dimension of our programs. Many issues we address in today's world have an international dimension. Most of our students will work for governmental agencies or private companies that have strong international involvements. The Institute's Freeman Center for International Economic Policy is currently using federal grant money to add international content to three of our core courses.

One of the most significant developments at the Institute has been the expansion of our work in Eastern and Central Europe. Senior Fellow Zbigniew Brzezinski began a modest research endeavor in 1988, which expanded into the multi-million dollar program in economic education and management training two years ago. Now Brzezinski also directs a five-year, $11 million program in environmental education and training.

Many of our programs are supported through outside funding. This past year, over half the Institute's nearly $8 million budget came from such sources.

We see the growth in outside funding as a measure of the public's growing respect for the Humphrey Institute, and its relevance to society's needs. This year's annual report focuses on how Humphrey Institute programs affect the lives of others. We have chosen to let participants tell their stories, stories of revitalized small towns and reinvigorated careers. Hubert H. Humphrey said universities should be active participants in community life, not just "meadows of meditation." We try to follow his advice.

G. Edward Schu
Professor and Dean
The Humphrey Institute has shown overall growth in its budget. The increase in total revenue has been primarily from the growth of state funds, external grants, and contracts for special projects. Project funds doubled in 1991-92, and the institute's focus on problems important to Minnesota.

At the same time, however, the Institute's core funding—its support from state through the University and its own general and special purpose endowment funds—remains tight. Augmenting this core funding would increase the Institute's ability to strengthen the infrastructure needed to support its research, teaching, and outreach efforts, to supply more financial aid to students, to provide more seed money for new efforts, and to keep projects aloft between major grants.

The Institute responded to the tight core funding situation and as part of the overall University's retrenchment and reallocation program for 1992-93. The Institute took several steps this year in its own internal reallocation strategy:

- Reduced salary costs by downgrading three faculty vacancies from full professor to assistant professor levels and one from full professor to associate professor.
- Reconfigured its outreach programs to lower costs and expenses.
- Discontinued its public affairs television program, "Minnesota Issues."

In recognition of these and other efforts in recent years to put its fiscal house in order, the Institute has been given a new way of expanding its core funding during the University-wide retrenchment. The Institute is one of only three units in the University allowed to earn additional income through enrollment expansion and tuition increases.

The Institute increased its entering class enrollment for 1992-93 from approximately 60 to 80 students and added $50 per quarter tuition increase. When added to tuition increase. Additional income and costs related to this enrollment expansion will show up in the 1992-93 fiscal year.

The following tables and charts with the accompanying narrative present a more detailed look at the Institute's financial picture, both historically and for the 1991-92 fiscal year.

### Table 1: Historical Perspective on Funding Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>FY87-88</th>
<th>FY88-89</th>
<th>FY89-90</th>
<th>FY90-91</th>
<th>FY91-92</th>
<th>FY87-88 to 91-92</th>
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<td>State (Recurring)</td>
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<td>State (Nonrecurring)</td>
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<td>$80</td>
<td>$80</td>
<td>$80</td>
<td>0.0%</td>
</tr>
<tr>
<td>init</td>
<td>$53,867,868</td>
<td>$54,449,041</td>
<td>$55,109,392</td>
<td>$55,936,940</td>
<td>$57,909,639</td>
<td>$104.5%</td>
<td></td>
</tr>
</tbody>
</table>

**Some Source Definitions**

1. **Recurring**: legislative appropriations to the U of M for the Humphrey Institute.
2. **Nonrecurring**: temporary allocations from central administration to the Humphrey Institute.
3. (For 1991-92, this includes partial start-up monies for new faculty.)
4. E. Endowment earnings from general purpose endowment funds.
5. E. Grants, contracts, and cooperative agreements.
6. Rent Funds: special program tuition fees; conference fees; reimbursements and support from external units; and state legislative special funds.

This increase over 1988-89 is due to a shift in faculty salaries from state nonrecurring to state recurring funds and from fringe benefits. It is also due to the increase in nonrecurring grants for special projects and to the increase in state recurring funds. This increase includes $100,000 previously provided as state nonrecurring funds.
Table 1 and Chart 1 suggest several important trends in the Institute's funding picture over the past five years. (It is important to note that Table 1 and Chart 1 show only the funds actually spent — which may differ from earnings — by the Institute in any given year. Table 4 gives a complete picture of income from the Institute's endowment funds in 1991–92, only a portion of which is spent.)

Total operating income was at an all-time high for the Institute in 1991–92, having slightly more than doubled in the last five years.


Most of the growth was due to large increases in grants and contracts for special projects, such as two new management and environmental training programs in Central and Eastern Europe and transportation policy work funded by Congress. The other significant area of income growth was in increased state funds for faculty salaries.

The Institute's recurring state allocation has more than doubled since 1987–88. The increase reflects a commitment by the University to move gradually toward full funding of Institute faculty salaries from state recurring funds. However, the state's share of the Institute's budget (21% in 1991–92) is still one of the lowest of any unit in the University.

The Institute received a significant amount of nonrecurring state funds in 1987–88 and 1988–89, which have gradually been converted to recurring funds. The non-recurring state funds were given to the Institute as a temporary measure to help cover faculty costs.

In 1989–90 most of these funds were converted to recurring funds as promised by the University when a new dean came on board in December 1987. The remaining $100,000 of nonrecurring funds were converted to recurring funds in 1991–92, in effect increasing the Institute's core budget.

The Institute was given $82,000 in new state nonrecurring funds in 1991–92 as matching funds to help get new faculty members established.

Spending from the Institute's endowment funds decreased in 1991–92. Expended funds from the general purpose endowment fund were down by 17 percent from the previous year, and expended funds from the special purpose endowment fund were down by 51 percent.

The recent decrease in the general purpose endowment funding reflected in part a weaker stock market and lower interest rates over the lagged three-year moving average of market values from which endowment income is calculated. In terms of overall investment performance, the three-year annualized endowment fund return was 12.1%, which represents top quartile performance in the management of these funds.

(For a University-wide policy, the Institute is encouraged to draw no more than 5.5 percent each year from its general purpose endowment funds. This cap protects the endowment by requiring reinvestment of some of the endowment's earnings to maintain the purchasing power of the principal.) Part of the decrease in special purpose endowment funding shown in Table 1 also reflected a decision by the Institute not to spend some of the endowed chair funds that were actually available in 1992–93, giving the Institute an opportunity to maintain future purchasing power.

Available funding also suffered this past year from the decision of the University's central administration, due to severe budget pressures, to keep the interest all units earned on their demand accounts for the 1991–92 fiscal year.

The Institute incurred a small deficit of $36,970 in 1991–92, or less than half a percent of its budget. For the last five years the Institute has essentially had a balanced budget, with modest surpluses in two of those years and deficits of less than one percent in the other three years.

After a five-year period of steady reduction, the Institute gradually reached the goal a year ago of reducing the "clip" on its general purpose endowment to 5.5 percent. The Institute did not expect to have to further retrench its budget in 1991–92, as it had done in earlier years in reaction to the scheduled reduction in the draw on endowment earnings.

However, due to budget pressures, the University's central administration retained earnings on short-term funding. The Institute was counting on part of those funds for general program support; so after the unexpected levy, it ended up with a $36,970 deficit for the year.
Table 2: Historical Summary of Expenditures by Function

<table>
<thead>
<tr>
<th>Units</th>
<th>FY87-88</th>
<th>FY88-89</th>
<th>FY89-90</th>
<th>FY90-91</th>
<th>FY91-92</th>
<th>FY87-88 to 91-92 Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>$647,420</td>
<td>$654,492</td>
<td>$615,340</td>
<td>$766,658</td>
<td>$810,765</td>
<td>25.2%</td>
</tr>
<tr>
<td>Resident Instruction</td>
<td>$1,135,598</td>
<td>$1,283,857</td>
<td>$1,420,694</td>
<td>$1,474,890</td>
<td>$1,513,322</td>
<td>33.3%</td>
</tr>
<tr>
<td>Student Support</td>
<td>$284,405</td>
<td>$325,638</td>
<td>$412,352</td>
<td>$349,254</td>
<td>$470,866</td>
<td>65.6%</td>
</tr>
<tr>
<td>Midcareer/Leadership</td>
<td>$432,190</td>
<td>$410,130</td>
<td>$509,512</td>
<td>$523,035</td>
<td>$496,502</td>
<td>14.9%</td>
</tr>
<tr>
<td>Policy Research</td>
<td>$992,289</td>
<td>$1,312,102</td>
<td>$1,479,707</td>
<td>$1,956,385</td>
<td>$2,213,884</td>
<td>123.1%</td>
</tr>
<tr>
<td>Outreach</td>
<td>$375,968</td>
<td>$455,822</td>
<td>$671,787</td>
<td>$866,718</td>
<td>$2,404,300</td>
<td>539.5%</td>
</tr>
<tr>
<td>Totals</td>
<td>$5,867,868</td>
<td>$4,449,041</td>
<td>$5,109,392</td>
<td>$5,946,940</td>
<td>$7,900,639</td>
<td>164.3%</td>
</tr>
</tbody>
</table>

Unit Definitions

Administration includes the dean’s office, development and external relations, the budget office, and other general administrative programs.

Resident Instruction includes master’s program faculty, staff, and instructional costs; instructional computer costs; and faculty exchange programs.

Student Support includes student financial support, recruitment, placement, and alumni relations.

Midcareer Leadership includes the Reflective Leadership Center and the Humphrey Fellows program.

Policy research includes research projects by Institute faculty and fellows.

Outreach includes Carlson Lectures, the Humphrey Forum, the Mondale Policy Forum, and other outreach and training programs.

(For 1991-92, the increased outreach expenditures resulted from a new economics education and management training project in Poland, an environmental training project in Central and Eastern Europe, a new transportation policy project in the State and Local Policy Program, and other initiatives.)


- Outreach
- Policy Research
- Midcareer Leadership
- Student Support
- Resident Instruction
- Administration
The amount of money allocated for administrative expenses rose by 5% in 1991-92 due to increased personnel costs. The recent jump in salaries is largely due to rising wages for the new faculty members added in 1991-92. The new faculty members have increased the demand for support staff and office workers. With the addition of new faculty, the administration has increased administrative costs.

Expenditures for student support reached an all-time high in 1991-92, exceeding expectations. The increased spending is due to the increase in enrollment and the need for additional support services. The increase in student support shows the importance of the institution in education and training.

Expenditures on research and training increased by 5% in 1991-92 and have continued to rise. The increase is due to the expanding research activities and the need for additional training programs.

Expenditures on policy research increased by 2% in 1991-92 and have remained stable since then. The increase is due to the ongoing research projects and the need for policy analysis.

Table 2. Expenditure trends in the past five years

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenditure</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990-91</td>
<td>$2,000,000</td>
<td>1%</td>
</tr>
<tr>
<td>1991-92</td>
<td>$2,050,000</td>
<td>2.5%</td>
</tr>
<tr>
<td>1992-93</td>
<td>$2,105,000</td>
<td>2.7%</td>
</tr>
<tr>
<td>1993-94</td>
<td>$2,150,000</td>
<td>2.5%</td>
</tr>
<tr>
<td>1994-95</td>
<td>$2,200,000</td>
<td>2.3%</td>
</tr>
</tbody>
</table>

The table shows a trend of increasing expenditure over the past five years.
Table 5 and Charts 5 and 4 suggest several major patterns in the Institute's funding and expenditure picture for 1991-92.

1. Most state funds (89 percent) were used for the master's degree programs; that is, resident instruction and student support. Eleven percent of state funds were used for administration.

2. General purpose endowment funds were used largely for resident instruction and student support (58 percent) and administration (40 percent).

3. Special purpose endowment funds were used mainly for resident instruction and student support (54 percent) and outreach (25 percent).

4. The Institute's project funds largely funded outreach (46 percent) and policy research (44 percent).

5. Funding from other sources – such as special program tuition, conference fees, and reimbursements – mainly supported policy research, midcareer leadership, administration, and outreach.

6. Project funds made up the largest by far share (55 percent) of the Institute's operating funds in 1991-92, followed by state funds at 20 percent, general purpose endowment funds at 10 percent, other income – such as special program tuition and fees, conference fees, and reimbursements – at 10 percent, and special purpose endowment funds at 5 percent.

7. Outreach accounted for the greatest share (30 percent) of the Institute's expenditures, followed by policy research at 28 percent and instruction at 19 percent. Administration (10 percent), student support (6 percent), and midcareer leadership (7 percent) accounted for the remaining expenditures.
TABLE 4: STATEMENT OF ENDOWMENT FUND BALANCE CHANGES FOR FY 1991-92

<table>
<thead>
<tr>
<th></th>
<th>GPE</th>
<th>SPE Project Funds</th>
<th>SPE Endowed Chairs</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance July 1991</td>
<td>$13,364,395</td>
<td>$3,304,847</td>
<td>$5,451,782</td>
<td>$24,121,024</td>
</tr>
<tr>
<td>Gifts and Pledges</td>
<td>$1,648</td>
<td>$35,898</td>
<td>$197,612</td>
<td>$235,158</td>
</tr>
<tr>
<td>Dividend and Interest Income</td>
<td>$589,804</td>
<td>$147,170</td>
<td>$376,368</td>
<td>$1,113,343</td>
</tr>
<tr>
<td>Net Realized Market Gain</td>
<td>$1,337,945</td>
<td>$286,189</td>
<td>$642,359</td>
<td>$2,666,492</td>
</tr>
<tr>
<td>Perm. Univ. Fund (PUF) Chair Matches</td>
<td>80</td>
<td>80</td>
<td>$504,670</td>
<td>$504,670</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$1,729,397</td>
<td>$469,256</td>
<td>$1,721,010</td>
<td>$5,919,663</td>
</tr>
<tr>
<td>Disbursements</td>
<td>$742,629</td>
<td>$245,630</td>
<td>$366,325</td>
<td>$1,338,607</td>
</tr>
<tr>
<td>End Fund Balance June 1992</td>
<td>$14,351,163</td>
<td>$3,528,473</td>
<td>$8,806,466</td>
<td>$26,686,102</td>
</tr>
</tbody>
</table>

1. GPE funds are general purpose endowment funds that provide partial support to core programs and operations.

2. SPE funds are full and quasi-endowment funds for scholarships and projects.

3. SPE endowed chair funds are full endowments for four faculty endowed chair positions: AFL-CIO Labor Policy Chair, Freeman Chair in International Economic Policy, Seassen Chair in International Peace, and Wilkins Chair in Human Relations and Social Justice.

4. This figure represents the portion of GPE earnings from dividend and interest income only.

5. This figure is matching dollars from the University’s Permanent University Fund (PUF) for the three PUF Chairs: Freeman, Seassen, and Wilkins chairs.

6. All dividend and interest income earnings from PUF chair endowments are automatically disbursed into an operating account. Not all of these disbursements are spent in a given year. Consequently, the totals shown under the SPE Project Funds and SPE Endowed Chairs do not match the SPE total in Table 1. The difference remains in the operating accounts and is allowed to accumulate for future use.


- Outreach 40%
  - $2,404,299
- Policy Research 28%
  - $2,213,884
- Resident Instruction 19%
  - $1,513,322
- Administration 10%
  - $810,765
- Midcareer Leadership 7%
  - $496,502
- Student Support 6%
  - $470,866

Table 4 shows the following patterns for 1991-92:

1. The Institute received $235,158 in gifts from individuals, foundations, and corporations to its endowment funds in 1991-92, most of it for its four endowed chair funds. It also received $504,670 in matching funds from the University for its endowed chairs.

   Gifts to the Institute’s permanent endowment funds are added to the endowment principal and are not directly available as spendable income.

2. Dividend and interest earnings were $589,804 for the general purpose endowment fund and $523,538 for the special purpose endowment funds. The additional earnings on GPE and SPE funds are shown in the market gain and growth of the principal.

3. The Institute’s endowment funds experienced gains in net realized market value, with growth of more than $1 million in the general purpose endowment fund and $928,548 in the special purpose endowment funds.

4. The total fund balances of the Institute’s endowment funds increased by more than 10 percent during 1991-92, from $24.1 million to $26.7 million.