New Governance in Action: The Minnesota Arrowhead Model—Discussion

**Moderator: Mark Drabenstott**

**Mark Drabenstott:** Joe, thank you very much. As an avid fisherman, I was heartened to learn that you didn't allow this conference to get in the way of the walleye opener.

We are going to take time now for some of your questions. We'll take two or three and give Joe an opportunity to respond.

**J. W. Ballinger, Moberly Area Chamber of Commerce:** I work with community colleges in our area. In your community and region, are community colleges given a region to supervise or to provide classes to, and who gives them that responsibility? For example, do a number of counties under your supervision provide community college services, and did the state provide that authority?

**Nancy Stark, Rural Governance Initiative, Rural Policy Research Institute (RUPRI), and Corporation for Enterprise Development:** Joe, you said that True North has a federal appropriation to advance its agenda. Since federal appropriations are hard to come by, to what degree did you feel that it was essential to move things forward or what advice do you have for other regions that may not be so lucky?

**Andrew Skadberg, Texas A&M University:** I was curious if there were a lot of players involved and a lot of entities? What is the vehicle for communicating and coordinating all of the different decisionmakers and players in this process?

**Mr. Drabenstott:** We have three great questions. How do you define a region? Where can the dollars come from (federal point of view)? And how do you get this whole chorus in northeast Minnesota to sing together?

**Joe Sertich:** I went through a training session a long time ago through Wilson Learning. There was a thing called the “Ben Duffy” for which you try to anticipate the questions. Fortunately, at least for the first three, I did anticipate them.

J.W., I didn't get into a lot of the structure during my presentation because it is different in every state for higher education. We don't have counties. We don't have local taxing districts. We have a state system. So, I didn't know whether there would be great transferability by explaining the peculiarities of Minnesota. We do have the seventh largest higher education system in the country because all of our community colleges, technical colleges, and state universities are under one chancellor and a 15-member board. The board has three students on it. In October 1999, the students were the ones who said: “Let’s take this whole region. Let’s take the seven-county region of northeast Minnesota, and let’s put it together under one regional structure—one governance structure.” That is how that happened. I think you’ll find that to be different. That is why I included some of the national information and research that has been done on how colleges are put together. No one said these are hard lines, but that is how it was run.
Nancy, if I could go back, True North is the branded initiative. The TechNorth Prep Center is just one project. It has a federal appropriation, and so does the cut-to-length, professional forest harvesty. You saw the piece of equipment that reaches out to grab trees and harvests them, doing minimal damage to the environment. That is another federal appropriation. Frankly, once we became branded, money came in from all over, especially from philanthropic organizations who wanted to advance the True North initiative. My short answer to your question is—I don't think this is all about one federal appropriation. However, as I pointed out, that is when things became real. You need to identify and find some resources, so you can textualize a project or it does not work.

Finally, Andy, I actually put a sheet together that would describe the complex relationships that we have with a number of organizations. Without getting into too much detail, what I have here are private, government, and the president information sessions that represent higher education. We have 48 member advisory committees, 18 member executive committees, and a 12-member core team. All of these grew out of a 70-member launch investor group. Everyone is organized. They are supposed to know where they fit, unless they belong to more than one group. The “doIT!” (do Information Technology) initiative was another piece that played a part of that. The private sector was the hardest part. Government is a little easier. We have an organization called the Range Association of Municipalities and Schools that helps put together school districts and municipalities. Of course, we have the Rural Community College Initiative, of which we are a part. There is an investors group, a True North Investors Group, and a core team there. Without getting into the details, yes, it is difficult to manage. That is why I contract with a project manager. Communication is critical to making this happen. That is why we have videos. Incidentally, I have one available here if you want to learn more about the TechNorth Prep Center and how we recruit companies.

Mr. Drabenstott: There are a couple of key issues here that will keep coming up throughout the conference. One is how you define a region. One can think of those percolating up from the bottom or coming down from the top. I suspect there will be further discussion about that. The Minnesota State Colleges and Universities (MnSCU) was a definite champion of this initiative.

Mr. Sertich: Mark, could I just say one more word on that? I threw a slide up there that showed what we call “the Iron Range delegation” of legislators. We have 201 legislators in our state. There is a group of about a dozen who had a lot to say. As a matter of fact, Jerry Janisch—who later ran for the U.S. Senate and lost to Mark Dayton—was probably one of the architects who said: “Why do we have pockets of things that are working pretty well? Why don't we try to pull this together with some synergy?”

Mr. Janisch spoke directly to our chancellor at the time, Maury Anderson. That is when it started to happen at the board level. The board still questions whether or not this is a good idea. The board doesn’t see the efficiencies it was hoping to get because rural colleges are more difficult to operate. We don’t have the economy of scale. We have 10 people per square mile.

Mr. Drabenstott: Let’s take our next round of questions.

Sandy Scofield, Nebraska Rural Initiative: I would like to ask you to expand on the last question—the number three question. As you convened this large group of people, it seems to me, it would be useful if you had people agree on roles they were going to play so you could have the maximum effort put forward without people getting into each other’s sandboxes. Have you been able to do that yet and, if so, how? I know the higher education system is different in Minnesota than in Nebraska, but how do you relate to any other higher education institutions other than community colleges?
Ken Reiners, AgStar Financial Services: We, among other things, finance loggers in northern Minnesota and Wisconsin. One of the issues that we deal with a lot of our clients about is a perception that many people view the resources of the Arrowhead Region as best reserved for tourism and environmental protection. They believe strongly there can be a sustainable forestry initiative, but yet they feel frustrated with some of the public policy decisions. My question of you is, as True North, how do you balance appropriate environmental, as well as industry initiatives?

Crispin Moor, Countryside Agency, United Kingdom: As I understand it, a lot of the background to your work involves your having half of your time to spend on it, which is obviously very farsighted of your employers. How unique is that arrangement in community colleges and perhaps in your peer group within the Rural Community College Alliance?

Mr. Drabenstott: Those are three good questions. First, how do you herd all the cats up there? How do you forge the partnerships among all the players? Second, how do you balance what could be competing economic alternatives for the region? Last, is the time that you spend on True North unique among community college presidents?

Mr. Sertich: Let me start with the last one because that is the one that is fun to talk about. What should a college president be doing? Should a college president be running around and getting into the micromanagement of all these institutions? What is our problem? We have a lack of public support for higher education. If I am not spending half of my time externally for the organization, then shame on me. That is when I said: “Why not economic development?” Because as communities go, so goes their colleges and vice versa. So, it was easy. Do I have permission? No. Does the board of trustees really know what I am doing? No. We are a big system. Does my chancellor care? Yes, but he is too busy to micromanage it as well. I feel it when something goes wrong on one of the campuses. I feel a lot of pressure, but I have enough support. In fact, we will have a fish fry Tuesday night when I get back with the chair and the vice chair of the board at a house in St. Paul. It is relational; you have to keep it going. Is it unusual? I don’t think so. College presidents spend a good deal of their time externally. That doesn’t mean I do it all the time. It varies with the time of year and whatever else. My answer is perception. Create a perception that you are spending a lot of time externally, even if you can’t.

Secondly, I love the question about the tree huggers. We have a renewable resource here. That is just wonderful. What better place than higher education to have that debate. We are the perfect ones. We open the doors. I have been called by “Good Friend Logger.” I can’t say the words he said to me on the phone that Saturday afternoon when he learned we were going to have environmentalists use our college to talk about logging in northeast Minnesota, but it was along the lines of: “How dare you do that.” I responded: “If you want me to keep the environmentalists out, then do I keep the loggers out when you want to come in and have a conference as well. It doesn’t make any sense. This is the role for higher education—to be right at the center of the heated debate.” Yes, we do lean a little more toward industry. But at Vermilion Community College it is all environmental programming. That is where we have the professional forest harvester program. We have a congressional earmark there. But we understand that thrashing and the rest of the traditional logging need to take place. I just try to balance them. In fact, three Mondays ago, I was at Louisiana Pacific, a fiber plant in Two Harbors (Minnesota), walking around and getting a good sense for what kind of challenges the company has for fiber supply. You have to be sure you are paying attention to both sides.

To go back to the other question, I don’t want to make it sound—even though I have charted this out on a sheet of paper—like we have the big group that only meets once a year. Some of those other groups will meet perhaps twice a year. We have been at this
for three-and-a-half years. It is the core team and the executive committee that continue to move things forward. On a national level, there are a lot of conference calls made to stay connected. I don’t want to make it sound like it is government or bureaucracy. Yes, we keep records. We have mailing lists. People can come in or out. That is why I said it is a low threshold and inclusive. Somebody asks, “Why am I not on an investors committee?” And you turn around and say: “You are. Just give me your card. You just became part of the investors group.”

Mr. Drabenstott: Do we have two more short questions?

Mark Okrant, Plymouth State University: I would like to know with regional planning commissions, economic development entities, and land and conservation groups, each representing a particular issue and competing for funds, how are you able to come in and get these groups to join your initiative rather than fight you?

Peter Hoffner, Department of Agriculture, State of Missouri: You talk about five critical points that you work on. How do you sketch out the vision and then, working with your state legislature, fund the pieces as they are needed to fulfill that vision?

Mr. Sertich: Let’s start again with the second one on the five critical components of a healthy community. Again, it isn’t that formalized. What I will do is promote with the government those things by working with groups. In my paper, you will see the 70 groups listed there. As a matter of fact, the Arrowhead Regional Development Commission was planning to be here at this conference today and couldn’t make it. When you work with the state government, you stay active in all the things that are going on. Central Iron Range Initiative and Jobs 20/20 are initiatives that are going on that need government support. I don’t coordinate that, but I am a part of it.

The first question, if I could go back to that, is about the planning commissions and the economic development groups. You saw in my presentation information about an organization called the Arrowhead Growth Alliance. On Thursday, 15 or 20 of us will get together at Bluefin Bay on Lake Superior in Minnesota for a two-day meeting. We do that four or five times a year. This is where, with our tight relationship, we make decisions informally. We have no bylaws; we elect no chair; we get together and pay all of our own expenses; and we sort through the tough issues so it doesn’t become competitive. Do we get crossways with people? Yes, those are the risks you have to be willing to take. Higher education representatives, however, usually are not at the table fighting with someone else. They end up in the middle of two others who are perhaps jockeying for state resources or are in the middle of either a planning commission or an economic development battle.

Sandy Layman and John Schell will be at the meeting. (Sandy Layman is the economic developer for the region and commissioner of the Iron Range Resources, and John Schell is from the Arrowhead Regional Planning Commission.) We meet informally to take care of most of that.

Mr. Drabenstott: Let’s thank Joe for getting us off to a great start this morning.