New Governance in Action: The Minnesota Arrowhead Model

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The Arrowhead Region: A Landscape Tradition

At the turn of the century, the Arrowhead Region of northeast Minnesota determined there was no better time to position itself into private/public partnerships. These partnerships would help strengthen communities by working with a new governance model. Driving the urgency was the realization that this rural region was fragmented regarding the future of its economy. A lack of focus in the region resulted in being at a tipping point common to much of the rest of rural America.

The Arrowhead Region, including the Iron Range, has relied on a natural resource-based economy for more than 100 years. The three major drivers of the economy often are referred to as the three T’s. The first T is taconite and is used in the making of steel through iron mining and ore processing. The second T is timber and is predominantly used in papermaking and fiberboard. Both of these industries have experienced tremendous global competition. The third T is tourism—bringing millions of visitors to the region each year because of the beautiful lakes and forests.

Over the past two decades, the situation worsened. In the early 1980s, mining accounted for 50 percent of the jobs and 60 percent of the income in northeast Minnesota. Today, mining represents 10 percent of both. Many ideas for diversifying the economy were discussed across the region but were unaligned with resources, signaling the need for the various threads to be woven into a single plan.

With economic health in decline, higher education saw an opportunity to serve as a catalyst and coordinator for the region, which was ripe for change. Coincidentally, in early 1999, the community colleges saw the need to pool their resources to save administrative costs. Dramatic steps were implemented to reorganize the governing structure under one super-regional umbrella. With one college president retiring and two more retirements pending, the Minnesota State Colleges and Universities Board of Trustees chose to create the Northeast Minnesota Higher Education District, effective Oct. 1, 1999.

Five community colleges were organized together in a district—the only one in the Minnesota State College and Universities system. These five colleges share one regional president. Their mission is to provide quality higher education to the communities throughout northeast Minnesota by developing a regional structure that will preserve college autonomy but also will align programs and services to better prepare residents for learning, employment, citizenship, and life. By creating a balance between local autonomy and regional unity, the member colleges of the Northeast Higher Education District are positioned as resources for the region’s communities, employers, and students. In this way, the

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colleges in the district truly will be anchored to their communities and capable of cooperating with other colleges to cost-effectively provide quality education for smaller cells of students.

One of the greatest challenges facing the district of colleges was a lack of vitality in each of its interdependent communities across the region. The economic crisis was challenging to the colleges, and so were the decreasing statewide investments made in public higher education. Because of the heavier reliance on state appropriations, layoffs were imminent at smaller institutions. One advantage of the “consequence of challenges” was that it gave the followers the motivation to turn collective problems into progress, rather than just solve each of the problems as it arose. And with LTV Steel Mining Company closing in 2000, it became obvious that there were serious regional problems. Fourteen hundred LTV workers lost their jobs. These workers and their families lived in communities across the entire region. Other mines, paper mills, and wood product plants also announced layoffs or were threatening to close. Because of these and other catalytic events, in June 2000, the founding president of the Northeast Higher Education District floated in his boat around a chain of lakes with a trusted colleague/consultant imagining how his new college district structure could and should be more than supervising provosts to run efficient colleges. It was concluded that as communities go, so go the colleges and vice versa.

The plan for the proposed Northeast Higher Education District included five principles to guide its future direction. The first was to ensure appropriate measures of institutional autonomy. The second assured student and community access to quality educational programs. The third ensured meaningful institutional cooperation. The fourth ensured institutional stability. The fifth—perhaps most distinguishing principle—promoted effective relationships with the community, including advocacy and service to business and industry and connections to regional and statewide economic development initiatives. These five colleges currently serve between 8,000 to 10,000 learners per year or about 5,000 full-year equivalent (FYE) students. The region served is just over 13,000 square miles, making it larger than the state of West Virginia. With a population of about 130,000 residents, it means the region averages 10 people per square mile.

Drabenstott (2003) believes rural regions are influenced by two important forces. They are globalizing markets and regionalizing strategies. Rural economies work best in a self-defined region, where communities recognize their interdependence. The concept of community is often based on a shared sense of place, enabling regions to be defined as a community. A sense of place involves relationships with people, cultures, and environments, both natural and built, associated with a particular area (Flora and others, 2004). Thinking regionally may be the transcending answer to the question of how regions reinvent their economies. The Arrowhead Region had the advantage of being recognized for decades as a shared sense of place.

Once a region is identified, five critical components leading to healthy communities should be assessed. The operative word for rural people is access. Access may have multiple descriptors, but, at the end of the conversation, what’s important is whether or not rural citizens can get what they need in a reasonable period of time. Whether a community is defined as a town, village, city, county, or larger economic region, it is still necessary to the residents to have access to all five critical components. The first one is government. People want a say in their own destiny and have a sense their voices are being heard, especially as it relates to how people live together. Good government can be measured by voter turnout rates, numbers of candidates running for political offices,
or attendance at government meetings. The second critical component is health and social services. People want to sense they are taking care of one another for their collective and individual physical, social, and mental well-being. When unexpected circumstances arise, communities want safety nets to assure appropriate responses to health and welfare issues. This means rural people can get into clinics, have an ambulance to respond to an emergency, as well as have access to a wide portfolio of hospital and social services. The third component is education and training. This should start in the early ages of child development and extend through Elderhostel programs for people in the twilight of their life. There should be strong coordinated higher education programming articulated with compulsory education. And incumbent workers and businesses need customized training so companies and organizations can become or remain globally competitive.

The fourth critical component is community infrastructure. This isn’t limited to streets, utilities, and broadband internet access. It also includes the many groups of people who make up the fabric of those communities, like service and faith-based organizations. Finally, the fifth, and probably most critical component, is the economy. Some would argue that without an economy, the other four critical components would need not exist. Today, the economy should receive a disproportionate amount of emphasis because most rural communities are witnessing how this critical component is slipping the fastest and is the most difficult to reinvent or turn around. The challenge is not to just improve each of the components of a healthy community, but it is the art of balancing the five components. Even though the economy should be emphasized and focused on, it’s important not to focus on the economy exclusively at the expense of the other four critical components. Often the first four components are strengthened as solutions to improving the economy.

After identifying assets in the region by listening to the private sector, it became obvious the region needed to move from the three T’s of taconite, timber, and tourism toward the fourth T of technology. Technology supports the infrastructure that allows individuals to be more productive in the workplace and in their pursuit of opportunities as lifelong learners. Technologically trained and equipped individuals can be at the cutting edge of the changes and innovations that will serve the region. The greatest danger to the viability of rural communities is not globalization but a retreat into isolationism and protectionism, so the fourth T, technology, was used as a tool to create living wage jobs across the region. This was the best way for communities to preserve their local control and become more competitive globally. An existing public private initiative called doIT! (do Information Technology) of Iron Range Resources had been operating since 1997, and the new regional college president had been serving as chair of its 20-member board. As the Harvard Business Review advocates, strong regional planning and economic growth at the community level work best when communities thrive locally in the global economy.

But it was still obvious the region did not have its act together. A new economy demanded more from a historically independent region. So, before new governance could be implemented, there needed to be agreement on how the future was going to affect the region. True North would become a regional branded term for public, private, and higher education institutions as they looked at one another from different perspectives. While regional planning for post-secondary education programs and services is being presented here as a relatively new concept for Minnesota’s community colleges, it is not new nationally among community colleges. Whereas Minnesota began a network of municipally funded junior colleges prior to the Great Depression and added additional junior colleges and technical colleges in the baby boom era,
other states adopted a more comprehensive approach to statewide planning that incorporated regional community colleges in rural areas from the date of establishment.

Leading community college pioneers including S.V. “Marty” Martorana, James L. Wattenbarger, and Raymond J. Young recognized the efficacy of regional planning to locate and establish statewide community college systems as early as the mid-1950s. In the early 1950s, while helping to establish a rural-serving community college in Freeport, Ill., Young discovered people would drive about as far to “purchase” community college services and programs as they would to obtain durable goods, such as refrigerators or washing machines. Young then incorporated this regional approach to planning for the delivery of community college services in his chapter on junior colleges in the 1957 report, *Illinois Looks to the Future in Higher Education, the Report of the Illinois Commission on Higher Education*. The plan Young recommended—which was based upon an intensive study of population patterns and growth from the U.S. Census—bears a remarkable resemblance to where the community college districts are located today. Today, adult educational attainment rates across the Land of Lincoln rank a close second behind only California (Katsinas, Johnson, and Snider, 1999). Thus, long ago, leading community college experts recognized the need for new rural-serving community college districts to cross county, city, and school district lines.

During the baby boom era, many governors and legislatures justified the establishment of new statewide community college systems on the basis of providing economic development to their state’s entire citizenry. Gov. Fritz Hollings’ work to create a state technical college system in South Carolina in the early 1960s was a good example of this. In their analysis of the state summaries contained in Tollefson and others’ *Fifty State Systems of Community Colleges: Mission, Governance, Funding and Accountability*, Katsinas, Opp, and Alexander found that economic development justified the establishment of community college systems in virtually every state (2003). The idea of a comprehensive community college, possessing a capacity to deliver both general education for baccalaureate transfer and technical programs to serve local economic development needs is not new. Writing in 1989, former Mississippi Gov. and American Association of Community Colleges Board Member William F. Winter noted:

In an era of unparalleled change in both the techniques and objectives of economic development, the role of America’s community, junior, and technical colleges has never been so vital. Increasingly recognized by political and business leaders for their unique capabilities, these institutions in the decade of the 1980s have had thrust upon them a myriad of missions looking to the solution of the nation’s social, economic, and education problems (Winter 1989, foreword in Katsinas and Lacey).

Also, during the 1980s, new collaborations and partnerships emerged among business, industry, labor, and community colleges. Katsinas and Lacey documented this in their 1989 AACC-published monograph *Economic Development and Community Colleges: Models of Institutional Effectiveness*, which included seven case studies, five of which were about rural-serving community colleges.

Thus, for rural-serving community colleges, the “new regionalism” may not be new. So, why now is there such renewed attention? First, there is a growing recognition that county government cannot serve as a 21st century intermediary to provide the training and retraining to produce a skilled workforce that rural America desperately needs. The rural-serving community college can play this role in rural America. Second, there is an ever-growing recognition among economic development experts, scholars, and policymakers of the need for regional approaches and thinking related
to rural development strategies. As truly regional providers, the rural community colleges can get past the rampant “turfism” that exists within other structures of local government in rural America. So, regionally, True North happened not because it was the right time or the right place, but because it was both the right time and the right place.

TRUE NORTH: NEW PERSPECTIVES

In November 2000, True North was launched as higher education’s invitation to the private sector and government to align under one umbrella, in much the same way the Northeast Higher Education District colleges were modeling their interdependence. For this bold new model to work, visionary leaders who had clear economic development strategies needed to step forward. They included private entrepreneurs like Jim MacNeil of Knowledge River, Jerry Johnson of Superior Edge, local municipality economic developers like Kirk Bustrum of Itasca Technology Exchange, and Bill Henning from the Ely Area Development Authority. They also included higher education leaders like the provosts from each of the five colleges: Mike Johnson, Itasca Community College in Grand Rapids, Minn.; Ken Simberg, Hibbing Community College in Hibbing, Minn.; Jill Peterson, Mesabi Range Community & Technical College in Virginia, Minn.; Tom Weegar, Rainy River Community College in International Falls, Minn.; and Sue Collins, Vermilion Community College in Ely, Minn. The pattern of interaction among leaders needed to change so collaboration between higher education and government and the private sector would improve business performance. The experiences for Arrowhead demonstrate that when government, private sector, and higher education work together, a new governance frontier can be created. The Arrowhead Model or True North shows there is much to learn and more progress to be made, but perhaps this experiment is an example of how one region discovered this frontier a little earlier than others.

True North as a concept grew out of the existing regional community college education model. The mission of True North is to ensure that northeast Minnesota remains a viable place to live, learn, work, and grow. This is best accomplished when local autonomy is preserved because most economic development begins in communities. But planning is done regionally. America’s rural community colleges offer unique “place-based” capacity to engage rural people and institutions in the process of building and sustaining healthy communities.

As a way of encouraging people in the region toward an “I can” state of mind, True North literally took its story on the road in 2001. A thoughtfully produced presentation was shared with more than 60 groups of private sector and government people across the region, with other college administrators and leaders of the Minnesota State Colleges and Universities system, and at national meetings. The regional alignment concepts and strategies were unanimously acknowledged, as people also agreed that in order for the region to achieve lasting results people needed to learn to relate to each other in new ways. More importantly, True North advanced the belief that the region should trust the strong northeast Minnesota tradition of independence and hard work to make things happen. Along the way, True North leaders made it clear that this was “a low threshold, inclusive, and collaborative” strategy for the greater good of the region. True North was not interested in replacing, removing, or taking over for any of the people or organizations currently serving the region in many valuable ways.

Being pro-active, planning for constructive change, and getting in quickly behind the economy as it evolves are characteristics of True North that have become assets clearly not recognized before the
new governance process began. Iron Range Resources, a regional economic development agency, actively partnered from the beginning with True North to align regional leaders in support of local initiatives, many of which are tied to global opportunities. True North also engaged with the Arrowhead Growth Alliance, a northeast Minnesota leaders forum for aggressive new business initiatives. True North was one of the sponsors of the Arrowhead Growth Alliance’s Northeast Minnesota Economic Leadership Conference in October 2002 and the district college president was selected as the master of ceremonies for this two-day event that included 65 private business leaders. Additionally, starting in 2002, the Rural Policy Research Institute, a multisector advocate for more pro-active federal policy provided invaluable connections to national partners and collaboration. This connection started attracting national attention. The Northeast Higher Education District was selected as one of 36 participants for the Ford Foundation funded Rural Community College Initiative. The Blandin Foundation, with a mission of strengthening rural communities, provided intercommunity leadership development and start-up financial resources to the Grand Rapids, Minn., site called the Itasca Technology Exchange, the first TechNorth Prep Center. And, of course, the initial investor, the Northland Foundation under the leadership of President Tom Renier, has been a valued partner from the days of initial launch. It must be remembered that regional planning is a team sport, and most of the action takes place face-to-face at the community level.

Among government, higher education, and business, one of the three must take the lead as a catalyst to convene meetings to show willingness to change traditional practice and ignite a spark to create a new governance structure. In northeast Minnesota, higher education provided that opportunity by building off of the unique college district structure and past national models that illustrated the emerging role for community colleges. Modeling interdependence, preserving autonomy, and creating a new place-based framework would advance regionalism. To allow higher education to take the lead, the college community gave its “permission” for its college president to invest up to half of his time externally to the organization to connect the colleges to the communities for purposes of economic growth.

The initial reaction from the business and government constituents was positive because of the effects of mine layoffs, general economic decline, and a recognition of the outmigration of young brainpower. The commitment by all three parties at a local and regional level accelerated the process, but they also complicated the relationship building. The government showed great interest but had broadened goals. Businesses were short on commitments of time but were capable of leading opinions. The colleges continued to be nimble and responsive, so they could be viewed as willing to reach beyond education and training to accomplish their unfunded mission of community development, leading to economic growth and wealth creation. But, at times, they were slow to change. This kind of lead role by higher education worked as long as it wasn’t viewed as a positioning for power over the other two sectors. Interestingly, in hindsight, no one observed or found it strange that a college president was leading a “town meeting” on regional thinking and economic and community development. Caring about the region seemed to be the characteristic people needed to see from the person willing to tell the story and carry the vision. Apparently, a college president could do that.

The role colleges and their leadership can play in community development continues to get more attention. In a report titled “Capitalizing on the Potential of Minnesota’s Rural Campuses,” prepared for the Center for Rural Policy and Development, (Manning and others, 2004) found that rural regions across the nation are currently
threatened by declining populations, slowing economies, and legislative power transfers to urban and suburban regions. The report goes on to say that the very survival of colleges located in these rural regions is at stake and the potential for these rural campuses to survive will depend on collaboration led by college leaders with their communities and better focused missions. Questions about rural colleges reflect not only concerns about the campuses themselves but also about rural Minnesota in general. Rural counties with colleges are doing better than rural counties without a college. Minnesota has 33 campuses in rural regions. For purposes of the Manning report, rural Minnesota is defined by exclusion. Not included in the definition are campuses located in eight counties in the greater Twin Cities area, in regional center cities outside the Twin Cities having more than 30,000 residents, and those within 30 miles of one of the regional center cities. True North was an example of meaningful collaboration with communities and a better focused mission that included community development.

**MYTH MAKERS AND AGENTS FOR CHANGE: HOW DID THE CREATION OF TRUE NORTH CHANGE THE REGION?**

True North was branded as a regional initiative to gauge community thinking and promote economic growth. In the summer and fall of 2003, the first major project called the TechNorth Prep Center Network became the flagship enterprise for True North. It contextualized all of the progress made to date, and True North moved beyond process development. This $1 million opportunity was the result of an earmark appropriation through the Department of Labor, a favored project and success of the late Sen. Paul Wellstone. The TechNorth Prep Center Network of sites began by focusing on the college communities of the Northeast Higher Education District. The TechNorth Prep Center Network is a wired and unwired system of training and work sites that provide a seamless “go-to place” for regional learners/workers and business clients. It provides a context to examine the challenges and barriers needed for growing and financing rural entrepreneurs on main streets in rural communities. One might imagine a center as a place of bricks, mortar, and steel, but the TechNorth Prep Center vision would be better described by seeing it as a “designation” for cells of workers and businesses who want to compete globally. This model relies heavily on economic developers at a local level finding and creating the physical surroundings. The physical surroundings are arranged to support the activities of computer programming, code writing, and software design. Community distinctive industry clusters are being emphasized to promote diversity in the TechNorth Prep Center portfolio.

To better understand the TechNorth Prep Center Network, a description of the five prospective tenants of a center will begin to describe connections to the community and the synergy expected to exist among those who work through these centers. The first tenant of the TechNorth Prep Center Network is the start-up business. The Northeast Entrepreneur Fund, under the direction of its founding president, Mary Mathews, plays a key role by promoting entrepreneurship, along with the Small Business Development Corporations co-located at the colleges. Business development over the past century has centered around natural resource-based industries with absentee landlords.

Young northeast Minnesota residents have grown up for years wondering who they will work for and whether they’ll get a good job. Small business start-ups attract people who are willing to take risks. They understand that a less popular answer to the question “What are you going to be when you grow up?—could be “an entrepreneur.” Drabenstott and others (2003) recognized the role small entrepreneurial companies have in the U.S. economy. Entrepreneurship education is crucial in community
development work and leads to economic growth. The intellectual capital will come from a region’s workforce being continually up-skilled in partnerships with community colleges.

Some start-up businesses could move beyond conventional entrepreneurship by owning and operating a business through its college. Rivard (2002) used Hocking College as an example of one such business that opened in 1968. It owns and operates a variety of businesses, which are open to the public, supervised by faculty, and operated by students enrolled in business, natural resources, hospitality, and eco-tourism programs. This idea is being explored at Mesabi Range Community and Technical College, where one of its instructors, Aaron Kelson, is investigating a start-up business at the Quad City TechNorth Prep Center in Mt. Iron, Minn. The second tenant of the TechNorth Prep Center Network is back-office contract service providers who compete with current offshore outsourcing for larger businesses. In some instances, large corporations strategized offshore outsourcing as more than just seeking inexpensive labor. They want to establish markets in countries like China and India, where access to large population cells could lead to consumers.

Competing in outsourcing means cells of workers will need to be ramped up for three-month, 18-month, or even three-year contracts. These workers typically need an employer like the Northeast Entrepreneur Fund, unless the workers want to be independent contractors. For this strategy, the employee will work in a rural community, but the work is being done for a business located in a metropolitan area. Contracts are negotiated at a reduced rate; high productivity is expected; and the worker enjoys exemplary quality of life amenities. Henderson (2003) found that while the presence of quality of life amenities can help attract individual high-skilled workers or firms, the challenge for communities is to leverage these amenities into larger economic gains. Owners were more likely to cite a peaceful and friendly atmosphere rather than traditional low-cost advantages as their reasons for locating their firm in a rural place. And according to Schrock (2004), business executives considered quality of life to be Greater Minnesota’s strongest asset. In Minnesota, this is significant when coupled with 32 percent who said they would likely invest in a new or expanded facility next year. Currently, high-skill workers in existing industries are the primary driver of rural high-skill job growth.

The third tenant is the high school intern who provides inexpensive brainpower, innovation, and creativity. Having fresh new ideas from a high energy source not only improves the climate of the workplace but also advances awareness in the community. These high school students can walk from their local high school to a TechNorth Prep Center throughout their regular daily schedule, giving them the opportunity to contextualize their learning while receiving credit in a technology-related field of study.

The fourth tenant is the college intern. These learner-workers are on a conveyer belt pointed at one of the full-time jobs established in a TechNorth Prep Center and are working their way toward a coordinated and articulated degree program or fulfillment of a post-graduation internship. Whether it’s a traditional short-term internship or a degree program, the learning timeline may double because the application component is designed around independent study. This experience could be coupled with on-line learning and frequent visits from the college or university professor. The benefit would go three ways. The company, the worker, and also the higher education institution will keep up-to-date with the fast-paced technology environment.

The fifth tenant is the larger organization looking for all the advantages previously described. This
“home run” opportunity wasn’t the initial strategy of marketing efforts, but it must be accommodated should the opportunity present itself. Currently, any of the above tenants would receive free education and training from the Department of Labor grant for TechNorth Prep Centers. And college interns could have up to half their wage matched by the grant. Currently, two TechNorth Prep Centers are open in college towns across northeast Minnesota, and plans for three more are under way.

When the TechNorth Prep Center Network was launched at a large resort/conference center in northeast Minnesota, more than 70 invitees from government, higher education, and the private sector from around the country shared in the excitement of this regional milestone. On a broader level, True North continues to invite all perspectives to the planning table, and it asks each for their most appropriate investment in this economic, education, and workforce development enterprise (See Appendix).

Looking back, there were pockets of change evident in government, higher education, and the private sector as a result of new governance. The most obvious change for higher education is recognition. Whenever economic development is being discussed or promoted, the college is at the table and usually leaves the conversation with a dominant role for next steps. An example is the Ely Area Business Development Symposium. Vermilion Community College was a sponsor, was integral to the planning, and the event was held at the college on a Saturday. The provost from Itasca Community College serves as co-chair of JOBS 2020, a two-year-old private sector initiative responding to the layoffs at a paper mill. This is a clear sign of including higher education in meaningful ways. All college employees are asked to change their pattern of interaction with those external to their college organization as one way of reinventing our public institutions.

For government, these employees see higher education as an appropriate intermediary when working with the private sector. An example of how government would behave differently than prior to new governance could be illustrated by the recruitment efforts of the JOBZ Program, a tax forgiveness business recruitment tool. Triangulating the conversation allows government to highlight quality of life issues, not just tax forgiveness.

The private sector has diversified examples of how it changed its interaction. Once a private entrepreneur sees the “value added” by partnering with higher education and government, there is a higher probability of supporting government programs and higher education investments. There is an appreciation by all parties for government to be fair, for business to move quickly, and for higher education to be thoughtful and focus on the learner-worker as much as the business plan or the tax base.

Now, True North is referred to as much as a philosophy of working together as it is an initiative to pull the region up by its bootstraps. One evening, the Blandin Foundation asked 50 community leaders in seven groups what currently was going on in the region that their Community Advantage Leadership Program could attach to. Six of the seven groups had “True North” as one of their responses. The only limitation in moving the concept toward acculturation for business development is that True North is still in its infancy and associated primarily with the colleges. Government and the private sector will need to demonstrate their increased willingness to also lead and more actively and regularly engage in the new governance.

LESSONS LEARNED: A WORK IN PROGRESS

Three-and-one-half years of experience have resulted in preliminary lessons learned. One of these lessons is timing. On a national level, rural America is at a tipping point that is very real. There is a congealing set
of forces to combat the sense of hopelessness rural people are experiencing (Fluharty and Scaggs, 2003). Regionally, the economic decline signaled a threatening disaster, which pulled people together to reinvent how its people interact. Further, Chuck Fluharty, executive director of the Rural Policy Research Institute, is right in proposing three major changes in rural coalitions: 1) move from sector to place-based frameworks to improve linkages; 2) move public sector investments from subsidy to a Regional Competitive Advantage; and 3) create a governance structure that will exploit the forces needed to advance regionalism.

The traditional, historic sector and governance lines were blurred in northeast Minnesota. This resulted in building trust among partners for a shared vision of a new economy. Additionally, local visions within a regional context have had national and international implications. When the True North story is shared, whether at the Rural Community College Alliance Annual Conference in San Antonio or the Post-Secondary International Network Meeting in Canberra, Australia, immediate reactions result in new relationships and collaboration, which are both supportive and practical. One example is the planning for a business exchange between the Northeast Higher Education District and the Canberra Institute of Technology.

Hoenig (2003) sees rural America on the frontier of a new economy and also views entrepreneurs as crucial to claiming that frontier. Entrepreneurship has built the past as we know it across rural America. But unless new ways of building partnerships and interacting among opinion leaders and entrepreneurs become more natural, the chances for continued entrepreneurship are slim. The role small entrepreneurial companies play in the U.S. economy created more than two-thirds of new jobs and accounted for two-thirds of the innovation in the last 20 years (Sampson, 2003). Sampson called these small entrepreneurial companies “engines of innovation,” transforming new ideas and technology into real products and services sold to real customers in real markets, creating real jobs. True North focuses like a laser beam on entrepreneurship, especially small companies, and successes are becoming more frequent.

Henderson (2003) observed many rural communities as missing the opportunity to capture high-skill jobs. In 2000, just one-tenth of rural earnings came from high-skill wage producers. One approach to leveling the playing field is to tear down the barriers around access and focus on rural broadband and advanced technology as tools to be used to pull rural areas up by diversifying their economy away from the single dependence of a natural resource-based industry. New technologies have emerged that promise to help rural areas bridge the divide. These new technologies offer alternatives to traditional cable and phone lines. Multipoint, multichannel distribution systems; broadband satellite; and third-generation wireless all promise to give rural areas, and even remote areas, affordable access to high-speed data services (Abraham, 2003). True North has partnered with Iron Range Resources’ doIT! Program to assure connectivity across the region. The first barrier technology-based companies must overcome is not having access to high-speed connectivity.

Another lesson learned is the idea that business, education, and government working together is not a new idea. As a matter of fact, Katsinas points out that collaboration took place as early as the mid-50s and was accelerated in the ‘80s. Martinez (2004) also points out that leaders began meeting in January 2003 in North Carolina in an area called The Triangle when independent consultants criticized a lack of vision spreading its prosperity to rural areas. A new partnership was formed and plans were developed to raise $5 million from economic development organizations to build relations with universities and community colleges to support home-grown businesses and attract new businesses.
Rosenfeld and Liston (2000) feel that rural community colleges are continuing to reinvent themselves in the face of changing demands and lagging support. They point out that rural community colleges around the nation have emerged as powerful economic catalysts for the communities they serve. Because community colleges give students the skills desired by local industry, they have become the educational institution of choice for many rural businesses. Others can make mistakes, so you can learn from their mistakes, as well as your own.

Another example is the Colorado Rural Development Council that was created in 1993 to build education and business relationships for rural schools (Morelli, 2002). The Council created an annual plan for mountain communities, using colleges in these rural locations. Yet another is the I-99 Corridor Alliance, which is a collaborative tri-county effort consisting of key business development, education, research, government, and corporate partners in south central Pennsylvania (Kormanski, 2002). Holyoke Community College has long made connections between its students and area employers. Now, a $15 million business center set to open in 2005 is expected to take those efforts further, easing the transition from higher education to higher salaries (Bednar, 2004).

Some legislators have an appetite for these partnerships. Rep. Jess M. Stairs, who serves as the chair of the House Education Committee in Pennsylvania, passed in December 2003, House Bill 1174 that would create liaisons between business and education by establishing the Office of Community, Business and Education Partnerships (Ruff, 2004). These partnerships can be hard work, but the long-range support for the importance each sector plays in the congealing force, the better positioned rural America will be to respond to future challenges as they arise.

Others have accelerated the steps for public/private partnerships. In Tug Valley, W. Va., a community college is involved in a downtown revitalization program (Burgraff, 2003). This partnership closely replicates TechNorth Prep Centers. Rural communities suffer from a communitywide lack of leadership—an ongoing challenge for smaller towns because of their need for 17 times more leaders per capita. Their Mainstreet Program was successful as a grassroots effort through the Tug Valley Economic Development Institute. It served as a rural communities’ leadership forum and improved its region through effective collaboration between business and a community college. In this case, the government took the lead—demonstrating it’s the process and trust that really matter. True North found that it paid off to tell others that they should not lead—but rather are interested in a collective movement toward the new economy. Being a catalyst or coordinator is different from proclaiming yourself as the leader.

Another lesson learned is to take the long view. True North was rolled out as an eight- to 10-year initiative expecting it would transform to a culture change for the region so new economies would continually reinvent themselves. The new economy should build off of assets already present in the region. “E-learning” has been promoted through a five-year Title III Grant at Hibbing Community College, making it a natural to partner with business. Two of the first businesses in a TechNorth Prep Center had on-line learning as a primary component of their business plans. Kasper (2002) found that the development of partnerships involving on-line learning was opening another opportunity for academic institutions to provide corporate training even though community colleges increasingly face competition from a growing number of organizations that provide “e-learning” services. The sooner colleges recognize that education is business, the sooner they will think
about entrepreneurship and the importance of creating more alliances with corporate clients. Once business entrepreneurs are involved, it doesn’t take long for the language in the business plan to change from *e-learning* to *innovation acceleration*.

To date, there is little solid evaluation of the effectiveness of business outreach and technical assistance programs, especially among partnerships. It would be helpful to document baseline regional economic indicators, which include: 1) Employment; 2) Wages; 3) Incomes per capita and household; 4) Changes in population; and 5) Tax base. These continually could be monitored as the project evolves. Currently, a broader range of data is collected by the Minnesota Department of Employee and Economic Development. The University of Minnesota will continue documenting the accomplishments and lessons learned, so mistakes aren’t repeated and better practices can be shared.

Hill Libraries also provide valuable research to advance development of True North projects. Fitzgerald (1998) concludes that intermediaries are effective in facilitating intrafirm and interfirm learning, reducing the cost and risks. Other lessons include that we must never throw money at a problem—hoping to hit a solution. Partnerships take time, but they pay off. Everyone wants clear communication.

Producing quality communications is essential, including finding many ways to tell the story—preferably with a sense of humor. This can help to invoke the blessings of all higher powers. True North learned to get support from people who have bully pulpits.

Finally, it is important to invest your own time and resources first. Be clear about your people, your communities, your jobs, and your future. This will enable you to be aggressive in getting real things to happen. Otherwise, too much process can suck the lifeblood out of the momentum critical to the beat of progress.

Rural communities must not be left behind. The shared interest of all people should result in policies to benefit smart growth for densely populated areas while removing barriers that prevent rural economies from thriving. Community colleges are in a position as place-based institutions with the capacity to serve as catalysts charged with pulling up rural regions. Unique partnerships, especially private/public partnerships will serve as models for effective collaboration bridging fast-paced advancements and leading to new governance. Globalizing markets and regionalizing strategies can influence rural regions for positive change. There is a need for communities to become or remain healthy. We have evidence of success across rural America and elsewhere across the globe. Innovation, typically driven by entrepreneurial thinking, must be encouraged and implemented. Now is the time for leaders to play forceful roles in community development that leads to economic growth for the rural regions they serve and be rewarded for doing so.
APPENDIX
ORGANIZATIONS PARTICIPATING IN TRUE NORTH

American Health Education Consortium (Career Ladder for the Education and Advancement of Nursing).


Arrowhead Growth Alliance (Strategizing Private Sector Involvement).

Arrowhead Manufacturers and Fabricators Association (Business Development).

Arrowhead Regional Development Commission (Tax Forgiveness JOBZ Program).

Arrowhead University Consortium (Upper Division and Master’s Programming).

Bill J. Priest Center for Community College Education (Research and Advocacy).

Birchem Logging (Professional Forest Harvester Program).

Blandin/McKnight Foundations (Rural Economic Development Grant).

Blue Cross/Blue Shield of Minnesota (Minnesota Job Skills Partnership).

Center for the Study of Rural America, Federal Reserve Bank of Kansas City (Initiative Actualization).

Central Iron Range Initiative (Intercommunity Leadership).

Congressman Jim Oberstar (Department of Labor Earmark—$500,000 Professional Forest Harvester Program).

Continental Solutions (Outsourcing Recruitment).

Crossroads Communications (Video and Event Development).

Delta Dental (Minnesota Job Skills Partnership).

doit! Program (Tech Center Development).

Experienced Based Solutions (TPC Network Design and Metro Recruitment).

First Annual Governor’s Golf Outing at Giants Ridge (A Strategy to Recruit Business to the Region).

Gov. Tim Pawlenty (Technology Diversification Endorsement).

Iron Range Resources (Connectivity Grant to the TPC Network).

Itasca County (Jobs 2020).

Itasca Development Corporation (Itasca Technology Exchange).


Knowledge River (TechNorth Prep Center Tenant).

Koochiching County (Economic Development Partnership).

Laurentian Educational Ventures (Land Acquisition).

Liaoning University in China (Student Exchange).

Lifelab Learning Institute (Project Management).

Local Economic Development Agents (Business Recruitment).

Local Municipality Partners (Making the TechNorth Prep Center Sites Possible).

Local School Districts (High School Interns).

MacNeil Environmental (TechNorth Prep Center Tenant).

Minnesota Campus Compact (Service Learning Grant).

Minnesota Center For Rural Policy and Development (Research).

Minnesota Department of Employment and Economic Development (JOBZ Program).

Minnesota Power (Rural Resources Roundup).
Minnesota Rural Partners (Dissemination of Lessons Learned at 2004 Summit).


Minnesota Sen. Norm Coleman (Rural Renaissance).

Minnesota Sen. Paul Wellstone (Department of Labor Earmark—$1 million TechNorth Prep Center).

Minnesota State Colleges and Universities (MnSCU).

Motherlode (TechNorth Prep Center Tenant).

MP Telecom (Connectivity).

Natural Resource Research Institute (Business Lead Development).

Navigant Travel (Minnesota Job Skills Partnership).

North Central Regional Center for Rural Development (Vision to Action Process).

Northeast Entrepreneur Fund (Co-located TechNorth Prep Center and Higher Education Curriculum Design).

Northeast Minnesota Office of Job Training (Workforce Investment Board).

Northeast Training Unit (Customized Training).

Northern Tier High Tech Corridor (Data Acquisition and Business Connections).

Northland Foundation (Start-up Grant).

Northland Institute (Minnesota Community Capital Fund and ESOP).

Northspan (Baseline Economic Data).

Northstar Center for Violence Prevention (TechNorth Prep Center Tenant).

NOVA Group (Rural College Mission Enhancement).

Post-Secondary International Network (Better Practice Exchange).

Range Association of Municipalities and Schools (Pre K-12 and City Council Partners).

Rural Community College Association (National Best Practice Sharing).

Rural Community College Initiative (Participating Member and Coaching Grant).

Rural Policy Research Institute (Task Force for Multisector Coordination).

Savvy Pack (Technology Solutions).

St. Louis County (Area Partnership Expansion).

Superior Edge (TechNorth Prep Center Tenant).

Svendborg Technical College in Denmark (Student and Faculty Exchange).

Ten Rivers (TechNorth Prep Center Tenant).

True North Investors Board (Communication).

United States Department of Agriculture (National Telework Center Development).

United States Department of Labor (Grants Management).

University of Minnesota (Project Evaluation, Research, and Development).

University of Minnesota-Center for Economic Development (Small Business Development Corporations On Campus).

VOX Pop (Communication Advancement).
REFERENCES


