

# OPINION

OUR VIEW

## A community discussion

International Falls school officials are smart to start a discussion among themselves and the community about the need to offset the loss of state funding for the coming school year.

While no decisions will be made for about six months, it's become clear to school district leaders spending adjustments must be made or reserve funds be tapped to make up for the loss of more than \$400,000 due to a decline in student enrollment.

Cutting staff and programs and making other changes for the next school year is no easy task and often causes emotions to run high. Starting the discussion now can lead to informed and intelligent consensus.

Use of the district's \$3.8 million in reserve funds may appear to be an easy option. But that money should be considered the district's emergency fund and be kept intact for just that use if at all possible.

We're glad to hear school officials believe this discussion must include the community. We're sure today's story about the board's initial discussion will generate concern and questions. We urge this community to get informed about the situation and then

involved sooner than later.

That student enrollment has declined is no surprise. What is surprising is since this school year began, district enrollment has dropped by 58 students, representing the loss of about \$425,000 in state funding. Superintendent Nordy Nelson's fear enrollment, and the state funding that goes with it, will continue to decline is founded in reality.

The loss this year of jobs at the local paper mill was certainly expected to play a role in declining enrollment, but we wonder if that impact has already been, or has yet to be, factored into this equation.

It's important as this situation plays out people know the facts. Circulating rumors and bad information will only worsen the situation.

Monday's session is expected to be the first of many that will follow the regularly monthly board meetings. We urge people to attend some of these meetings to first find out about and understand the need for cuts in spending. After that, offer constructive ideas that may lead this community to a stronger, stable school district that can continue to offer our youth the education they need to move forward in life.

### The Journal welcomes letters from readers

Letters should be limited to 500 words or less. Longer letters may be edited. Letters must be signed and include the telephone number and address of the letter writer. Only the author's city address will be published.

Mail letters to The Journal, 1602 Highway 71, International Falls 56649. Letters can also be sent by e-mail to [laurel@ifalls-journal.com](mailto:laurel@ifalls-journal.com).

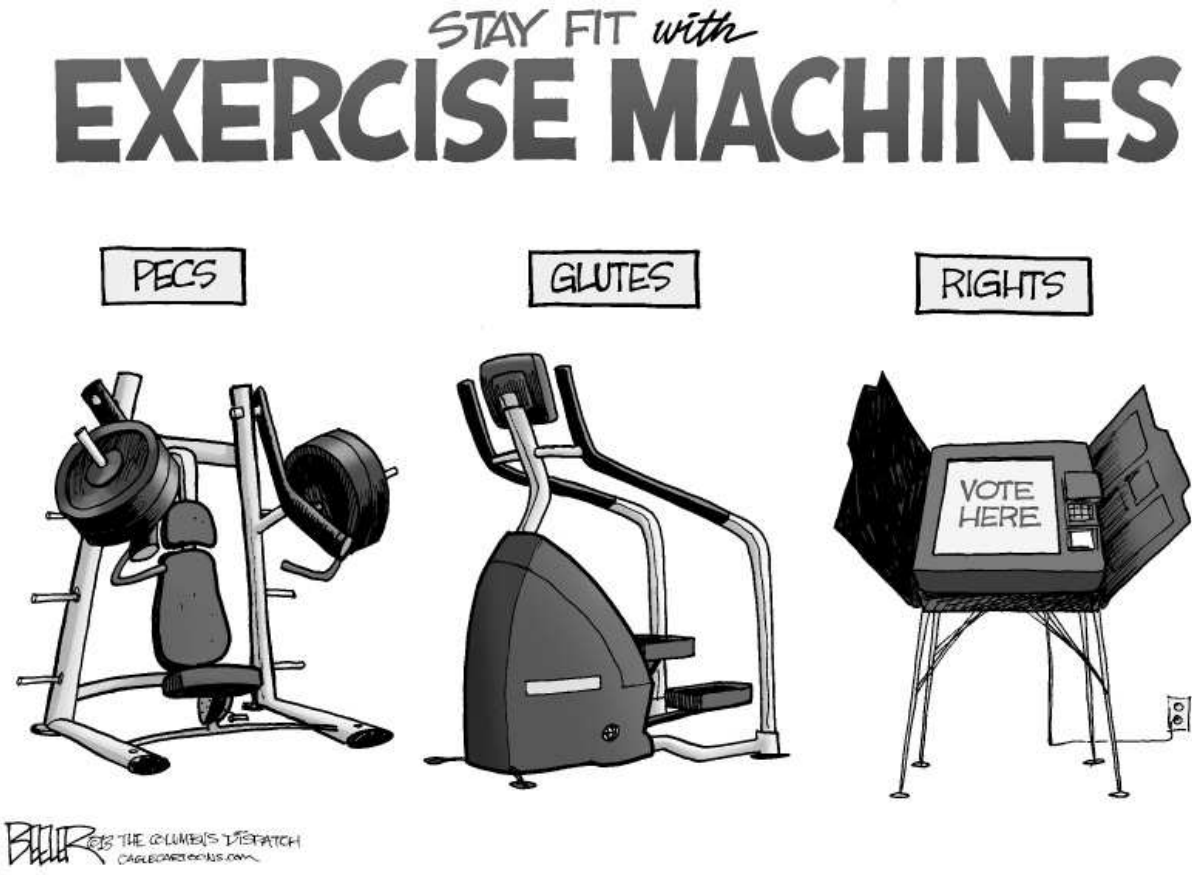
### How to contact your lawmakers

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### Share your point of view

Make a difference by writing a letter to the editor or contributing to our online discussions. The Journal's Opinion page is where meaningful community discussions take place.

**FIRST AMENDMENT** "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press or the right of people peaceably to assemble, and to petition the Government for a redress of grievances."



### LETTER TO THE EDITOR

## Concerned about actions by, for LMC

**To the editor,**  
I am deeply concerned. At the recent governor's meeting, Wayne Skoe, county commissioner stated that Koochiching County was considering allocating \$3.5 million to the city of Littlefork, specifically the Littlefork Medical Center to help with their continued operations as a result of them operating in "dire straits." Like other community members who are aware of this potential "deal," I am offended as a taxpayer that the county would consider such a large allocation to an operation which historically, has proven to mismanage its funding from the governing level.

When the Littlefork Medical Center elected to dish out a staggering six-month salary to a previous retired employee, even during a time of financial

concern, they displayed their lack of financial responsibility. Numerous attempts to rectify their financial losses landed on deaf ears. Public organizations should be held at the same standard as their nonprofit counterparts. Financial responsibility of a mismanaged public entity should not rest on taxpayer heads. Did the county consider such a generous amount to other long-term care facilities in the area?

**Kimberly Perkins**  
International Falls, MN

**Editor's note:** The Journal attempted to verify several statements in the above letter and to explain Perkins' affiliation with the Littlefork Medical Center. Perkins served as administrator of the Littlefork Medical Center and was terminated from that position in April, according

to documents obtained by The Journal. She did not appeal the termination.

Skoe told The Journal that he had a casual conversation with Perkins prior to the local meeting with the governor when he said county officials were considering bonding for upgrades at the Littlefork Medical Center. He said he does not recall providing a specific number and said no amount has yet been determined by the county board.

Documents provided to The Journal show that Calvin Olson served as LMC administrator/CEO from July 1, 1986, and ended Dec. 1, 2010. The original 1986 contract, and the contract at the time he retired, contained a severance package that provides for six months of his salary at the rate of pay when he left the position.

## One legislative session neither builds, nor derails our economy

Minnesota's economy has been receiving high marks lately. Unemployment is dropping, and tax collections were up in FY 2012-13. We moved to No. 8 on Forbes' annual list of Best States for Business, up markedly from last year.

If you missed these reports, no worries. The Dayton administration and the majority party leadership are quick to reiterate the state's current economic successes – and take credit by holding high the 2013 Legislature's actions.

Witness a recent newspaper commentary by state Revenue Commissioner Myron Frans, who wrote, "This year, we worked with the DFL majority in the Legislature to pass a fair and balanced budget. ... The results have been good for Minnesota."

These pronouncements are as sure as the sun rising in the east. But we all must ask the question: "What are driving today's economic results – actions by the 2013 Legislature or previous Legislatures?" Of course, it's the latter. You don't need to sit on the Federal Reserve Board to understand the dynamics of an economy. Current successes – or failures, for that matter – are a product of decisions made years ago. We won't know the actual impact of 2013 legislative decisions for at least five years.

However, we can report – and policy-makers should pay attention – to the immediate reactions of job-creators to actions taken in 2013. The annual Minnesota Business Barometer Survey, taken in July and August and sponsored by the Minnesota



David OLSON

GUEST COLUMN

Chamber and Himle Rapp and Company, provided valuable insight.

Minnesota employers are more optimistic about the economy than they have been in recent years, but they are sending serious red flags about the state's business climate. Seventy-one percent of the respondents said the 2013 tax bill will have a somewhat or very significant impact on their operations. In addition, 37 percent believe Minnesota has a better business climate compared with other states, but 26 percent say it's worse – the lowest level of confidence in the 10 years of the survey.

Even more worrisome is that business owners have little confidence that current policy-makers will do the right thing to keep Minnesota competitive. Two-thirds say the governor and Legislature do not understand the challenges of running a business. Of those, 78 percent say politicians may understand the basics of running a business, but they don't understand how government can get in the way of a business being successful.

The recent report from Minnesota Management

and Budget also shows that Minnesota's tax collections are now negative and underperforming expectations for the first quarter of FY 2014, which is the budget passed by the 2013 Legislature. This is another troubling sign that all is not well for Minnesota's economic growth and fiscal stability.

Understanding and facilitating economic change is a long-term and never-ending process. Our approach must be balanced and focus on improving the overall business climate for the benefit of all sizes and types of businesses. Economic progress also requires a new mindset among Democrats and Republicans alike. We must get beyond the outmoded strategy that raising taxes to spend more will result in better outcomes. And simply cutting spending won't produce the public service outcomes and infrastructure that are necessary to develop and grow our economy.

Redesigning services to deliver better value is the best strategy with promise for both short-term and long-term success. We've poked at the edges, but we've not stayed the course with a serious effort. It's hard work and requires creativity as well as political backbone. Minnesotans can do their collective part by giving policy-makers the license to promote change that capitalizes on today's evolving economy. Follow that course of action, and everyone can point with pride to a vibrant economy.

*Olson is president of the Minnesota Chamber of Commerce. See the website at [www.mnchamber.com](http://www.mnchamber.com)*