



## Around the Region

### Speech calls for stronger curricula

In the region's final State of the State address of the year, Gov. Tim Pawlenty introduced proposals to improve student readiness for college and work as well as initiatives to change Minnesota's health care system.

The March speech covered many policy areas that other Midwestern governors had focused on in their speeches, particularly education and health care reform.

"Science and math are the currency of our new economy," Pawlenty said. "We need more rigor in these areas."



Gov. Tim Pawlenty

Under the plan he unveiled to Minnesota legislators, every eighth-grader would have to take Algebra I. To graduate from high school, students would need to pass Algebra II and chemistry. The Republican

governor also proposed state funding for five high schools that agree to concentrate more on college preparedness and technical training.

Other education-related ideas include developing a model Chinese language curriculum and expanding access to Advanced Placement courses.

In the area of health care, Pawlenty asked lawmakers to encourage and reward best practices in the treatment of childhood obesity and diabetes. He also wants to incorporate "pay-for-performance" measurements into all publicly funded health plans. In addition, he said the state should invest in a \$12 million program that helps health care providers switch to electronic medical records.

The February issue of *Stateline Midwest* (available at [www.csgmidwest.org](http://www.csgmidwest.org)) featured an article on the region's other State of the State addresses.

### 2 more states OK wage hikes

Michigan and Ohio have boosted their minimum-wage requirements, following a trend that already has led to increases in three other Midwestern states.

Michigan's minimum hourly wage will be \$6.95 (an increase of \$1.80) beginning Oct. 1 and will reach \$7.40 by July 1, 2008. Ohio will increase its minimum wage from \$4.25 an hour to the federal minimum, \$5.15. Ohio had been one of only two states in the country (along with Kansas) with a minimum wage lower than the U.S. standard.

Petition drives also are under way in Michigan and Ohio to place wage increases on the November ballot. Both proposals would tie future minimum-wage hikes to the rate of inflation.

Since 2003, wage requirements in Illinois, Minnesota and Wisconsin have been set above the federal minimum, which was last changed in 1997.

## States' tax revenues show double-digit rise in '05

Tax revenue grew in every Midwestern state between fiscal years 2004 and 2005, though usually at rates lower than the U.S. average, a March study shows.

Nationally, the FY 2005 growth rate of 10.7 percent was the strongest in more than a decade, according to Nicholas W. Jenny, author of the report for The Nelson A. Rockefeller Institute of Government Fiscal Studies Program.

In the Midwest, tax revenue increases ranged from a high of 15.6 percent in North Dakota to a low of 3.3 percent in Michigan. In every U.S. state, total revenue collections met or exceeded original estimates.

Jenny notes that the 10.7 percent increase was the result, in part, of tax increases that took effect in FY 2005 and brought in an additional \$5.2 billion for states.

Illinois is the only state in this region that brought in significantly more revenue (\$122 million) because of legislated tax changes. Two of the nation's largest legislated tax cuts in FY

2005 were in Iowa (\$85 million cut, reducing revenues by 1.7 percent) and Michigan (\$133 million cut, reducing revenues by 0.7 percent).

Below are other findings from the report, which

can be accessed at <http://rfs.rockinst.org>.

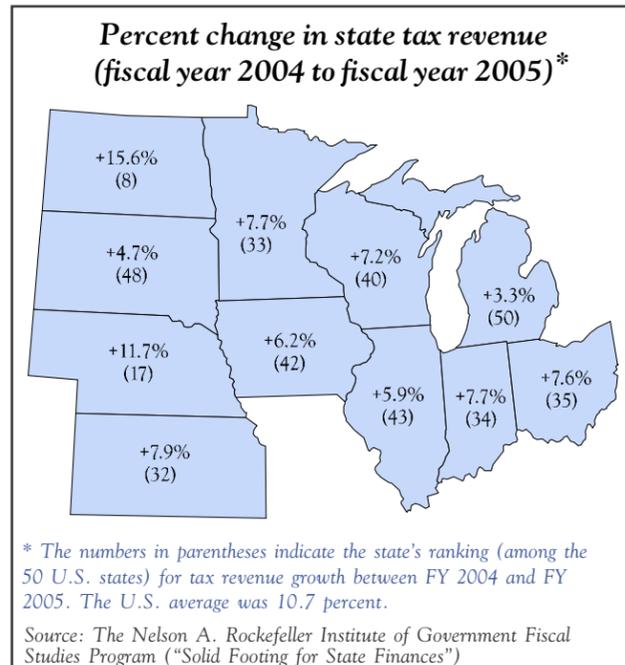
- When adjusted for inflation and legislated tax changes, revenue in the 50 U.S. states grew 5.2 percent between FY 2004 and FY 2005.

- Corporate income tax revenue grew 31.6 percent. In the Midwest, the rate of growth ranged from a high of 60.1 percent in Kansas to a low of 4.6 percent

in Michigan.

- Revenues from personal income taxes increased 12.5 percent; growth in this region was highest in Nebraska (12.0 percent) and lowest in Michigan (2.2 percent).

- Sales tax collections rose 6.7 percent. North Dakota (11.3 percent) and Minnesota (2.8 percent) had the largest and smallest increases, respectively, in the Midwest.



## Health, growth of senior population focus of study

The face of aging is changing dramatically and rapidly, and these shifts will have a profound effect on future public policy, authors of a March U.S. Census Bureau study conclude.

The report, commissioned by the National Institute on Aging and available at [www.census.gov](http://www.census.gov), examines changes in the health and socioeconomic status of people 65 and older. It also estimates future growth in the senior population.

Below are some of the trends highlighted in the study.

- Nearly 20 percent of the U.S. population will be 65 or older in 2030, compared to 12.4 percent in 2000. Most Midwestern states currently have a higher percentage of seniors than the national average.

- The health of older Americans is improving, but many still are disabled and suffer from chronic conditions. The proportion with a disability fell from 26.2 percent in 1982 to 19.7 percent in 1999. In the latest U.S. Census,

14 million seniors reported some level of disability, mostly linked to a high prevalence of chronic conditions such as heart disease or arthritis.

- The proportion of seniors living in poverty decreased from 35 percent in 1959 to 10 percent in 2003, mostly attributed to the support of Social Security.

- By 2030, more than one-fourth of the older population is expected to have an undergraduate degree. Higher levels of education are linked to better health, higher income, more wealth and a higher standard of living in retirement.

- Divorce is on the rise, and some researchers suggest that fewer children and more step-children may change the availability of family support for

people at older ages. In 1960, 1.6 percent of older men and 1.5 percent of women age 65 and older were divorced. In 2003, among people in their early 60s, 12.2 percent of men and 15.9 percent of women were divorced.

### Aging Midwest: Estimates show rise in percentage of population 65 or older

State	2000	2030
Illinois	12.1%	18.0%
Indiana	12.4%	18.1%
Iowa	14.9%	22.4%
Kansas	13.3%	20.2%
Michigan	12.3%	19.5%
Minnesota	12.1%	18.9%
Nebraska	13.6%	20.6%
North Dakota	14.7%	25.1%
Ohio	13.3%	20.4%
South Dakota	14.3%	23.1%
Wisconsin	13.1%	21.3%
United States	12.4%	19.7%

Source: U.S. Census Bureau