



# GOODHUE COUNTY MINNESOTA

TO EFFECTIVELY PROMOTE THE SAFETY, HEALTH, AND WELL-BEING OF OUR RESIDENTS

## LEGISLATIVE LUNCHEON

DECEMBER 14, 2021

12:00-1:30 PM

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Welcome

Introductions

Goodhue County Legislative Issues

### 1. Health and Human Services (Nina Arneson – Goodhue County Health & Human Service Director)

- County Based Purchasing (CBP) – South Country Health Alliance (SCHA)
- Eliminate State to County Cost Shifts
- Eliminate the County Share of the Behavioral Health Fund
- Invest in Local Public Health
- Expanding Woman, Infant, and Children (WIC) Delivery Through Telemedicine
- State-Subdivision Agreement – Statutory Component Overview

Documents:

[HHS Handouts.pdf](#)

[State-Subdivision Agreement - Statutory Change Component Overview NA.pdf](#)

### 2. South Country Health Alliance (Leota Lind-CEO South Country Health Alliance)

- CareConnect
  - Closing the Gaps. Bringing Better Health Closer.

Documents:

[SCHA Attachments.pdf](#)

### **3. Goodhue County Public Works (Greg Isakson- Goodhue County Engineer/Public Works Director)**

State Issues

- Stable Consistent Transportation Funding
- Revise Transportation Right of Way Acquisition Statutes that encourages the use of condemnation which results in project delivery delays and the waste of additional limited local transportation funds.
- Maintain 20% of Parks and Trails Legacy Funding allocated to the Greater Minnesota Regional Parks and Trails Commission.
- 2022 Bonds

If Bonds are issued in 2022, please consider the following areas that impact county transportation:

1. Local Road Improvement Program
2. Local Bridge Replacement Program
3. Local Road Wetland Replacement Program
4. Goodhue Pioneer State Trail
5. Cannon Valley Trail
6. Outdoor Recreation Grants, Local/Regional Trail Connections, etc.
7. Full Broadband Deployment

Federal Issues

- Huge Thank You for your work in passing the Federal Infrastructure Bill.
- Huge Thank You for supporting an "Earmarked" funding request for Br. 25501 on County State Aid Highway 2.
- Support Development of US based companies to process recycled materials that can replace the raw materials used by US manufacturers.

Documents:

[GCPW 2022 Leg Priorities 12-14-21 LWL \\_1.pdf](#)

### **4. Minnesota Administrative Rule 8100, Ad Valorem Taxes, Utilities (Brian Anderson- Finance Director & Lavon Vieths-Augustine – Goodhue County Assessor)**

- Department of Revenue's Timeline of Utility Companies Valuations
- Interest Charged on Property Taxes Reduced by Tax Court

Documents:

[State Assessed Property\\_1.pdf](#)

## **5. Broadband Infrastructure Partnership Program (John Smith – Goodhue County IT Director)**

- Purpose
- Program Guidelines
- Project Submittal/Approval
- Payment for Project
- Goodhue County Supports legislation that extends broadband to all areas of Minnesota.

Documents:

[Broadband.pdf](#)

## **6. Goodhue County Sheriff Office (Sheriff Marty Kelly- Goodhue County Sheriff's Office)**

- Deputy Wellness and Resiliency
- Response to Mental Health Calls
- Enhanced Criminal Penalties related to Pursuits
- Mandated Law Enforcement Training
- Release of Information for all Law Enforcement Personnel
- K-12 School Threat Assessment Teams and Training
- Supporting the state group's recommendations of recognizing 911 Telecommunicators as First Responders and adjusting their pension accordingly.

## **7. Goodhue County Veteran Service Office (Joel Rustad - Goodhue County VSO)**

- Increase the state grant given to veterans service organizations
- Pay a bonus to post – 9/11 veterans, much like Minnesota did for veterans of other wars
- Give property-tax relief for post homes
- Reduce the cost of hunting, trapping and fishing license for disabled veterans
- Align the state definition of a veteran with the federal one
- Provide a Homestead Market Value Exclusion for DIC recipients
- Provide a percentage-based change to Homestead Market Value Exclusion

Documents:

[VSO.pdf](#)

## **8. County Administration (Scott Arneson –Goodhue County Administrator)**

- Data Practices – Goodhue County supports legislation to require narrowing the scope of Data Practices to reduce the substantial use of County staff for minimal reimbursement.
- Open Meeting Law and Publication Requirements – Goodhue County Supports more effective and efficient public notice alternatives and authority to utilize technological tools to conduct needed business.
- Local Government Aid – Goodhue County supports increased Local Government Aid to be more in line with the level of services the County provides on behalf of the state.
- Sales Tax Exemption – Goodhue County supports the exemption of local governments from paying sales tax.
- ARPA Flexibility – Goodhue County supports greater flexibility for the allowed usage and timelines of ARPA funds. Goodhue County believes local officials have a far greater understanding of its Community needs.

Documents:

[ARPA Flexibility.pdf](#)

## **9. Association of Minnesota Counties - (Matt Hilgart — AMC Government Relations Director)**

- 2022 Legislative Priority Action Items

Documents:

[2022 Legislative Priorities Action - AMC.pdf](#)

## **10. MRC – Minnesota Rural Counties (Daniel Larson –MN Rural Counties Executive Director)**

- Minnesota Rural Counties Draft 2022 Priorities

Documents:

[MRC 2022 - DRAFT Priorities Worksheet - 2 Oct1821.pdf](#)

## **11. Other**

- Comments from Legislators
  - Pre-recorded Message from U.S. Representative Angie Craig
- Discussion





## 2022 Health and Human Services Opportunities

Goodhue County is an excellent steward of public monies and we are proud of our high quality, cost-effective services that we provide to our county residents. Here are five Health and Human Services legislative opportunities for the 2022 legislative session:

1. **County Based Purchasing (CBP) – [South Country Health Alliance \(SCHA\)](#)**
2. **Eliminate State to County Cost Shifts**
3. **Eliminate the County Share of the Behavioral Health Fund**
4. **Invest in Local Public Health**
5. **Expanding Woman, Infant, and Children (WIC) Delivery Through Telemedicine**

If you have any questions and/or would like additional information, please feel free to connect with me at [nina.arneson@co.goodhue.mn.us](mailto:nina.arneson@co.goodhue.mn.us) or 651-385-6115.

### County Based Purchasing (CBP)

In 1997, a bipartisan coalition of the Minnesota Legislature passed landmark legislation specifically establishing County-Based Purchasing (CBP) in State law as a unique and beneficial model different from Health Management Organizations (HMOs). [MN Stat. § 256B.692](#)



Currently there is no statutory separation for County Based Purchasing (CBP) in terms of operation and procurement. It is embedded in the Prepaid Medical Assistance Program (PMAP) statute and fails to recognize the essential differences between HMOs and CBPs.

CBPs are owned and operated by the counties they serve specifically to ensure locally responsive, timely access to quality health care for their eligible residents and are governed by the County Board or a Joint Powers Board (JPB). Currently Minnesota has 22 counties, that participate in CBP with another 11 counties choosing the CBP model and waiting to implement. Goodhue County supports the proposal of creating a new chapter of State law for CBP recognizing CBP as an alternative model for delivery of Minnesota Health Care Programs (MHCP).

These changes would include a procurement process that would recognize CBPs as separate from HMOs and mitigate barriers to implementing CBP with the Minnesota Department of Human Services (DHS) for eligible county residents.

The existing process makes no allowance for locally driven initiatives such as county-based purchasing. Goodhue County seeks protection of County authority throughout the procurement processes and implementation of State CBP laws.

The procurement process should not present barriers to full implementation of CBP State statute 256B.692.

Promote, Strengthen and Protect the Health  
of Individuals, Families and Communities!  
Equal Opportunity Employer  
[www.co.goodhue.mn.us/HHS](http://www.co.goodhue.mn.us/HHS)



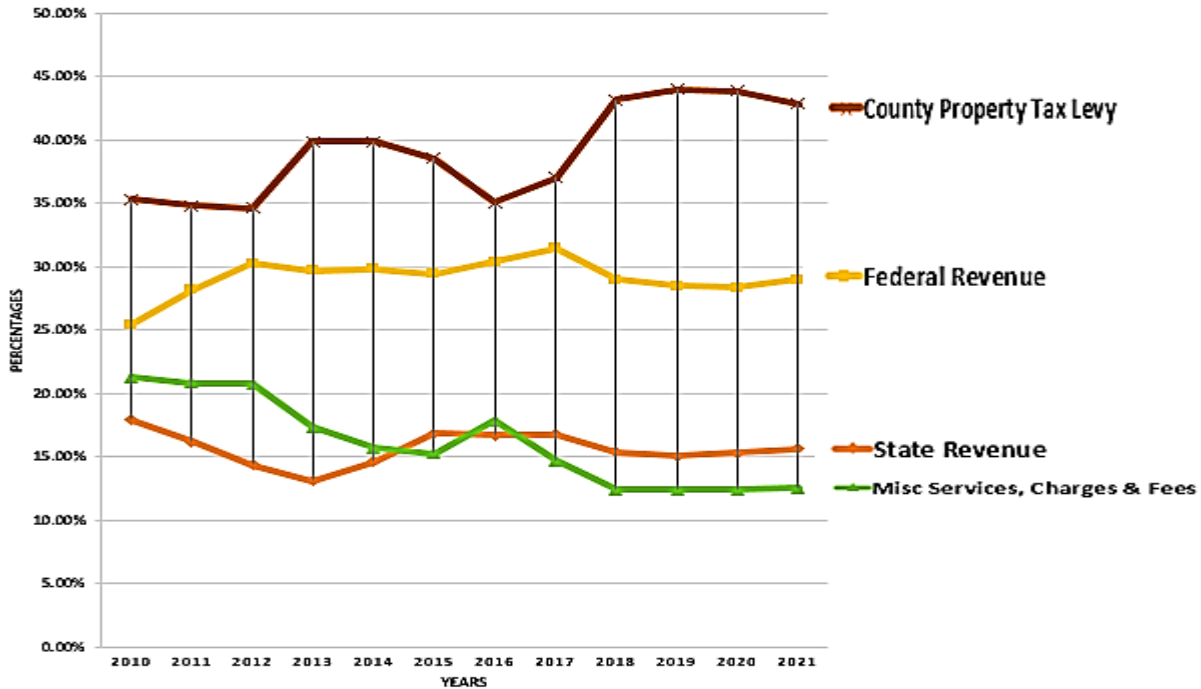
Support the State developing a separate procurement process for CBPs and support federal waivers for any aspect of current State statutes that may conflict with federal law or regulation. Support seeking any federal and State statutory changes that would clarify and affirm county authority, including proposed, new, Chapter 62W. Honor County rights and authority.

Goodhue County's County Based Purchasing (CBP) Health Plan is [South Country Health Alliance \(SCHA\)](https://mnscha.org/) <https://mnscha.org/>

### Eliminate State to County Cost Shifts

When legislative decisions are made, require a true assessment of local county financial impact for full and transparent decision-making. Savings at the State level are not savings when the difference is mandated and/or needed to be picked up by the County Tax Payers.

**GCHHS SOURCES OF BUDGET REVENUE BY PERCENTAGES**



### Eliminate the County Share of the Behavioral Health Fund

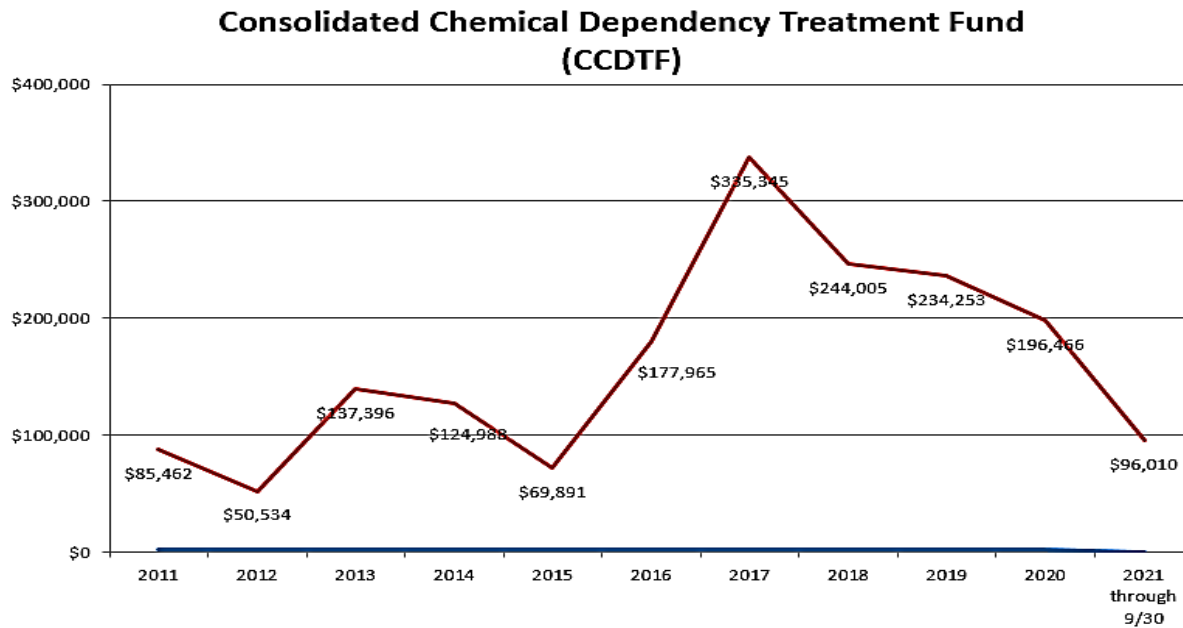
Substance Use Disorder reform was passed during the 2017 legislative session. This reform establishes a specific model of "Direct Access" Comprehensive Assessment for SUD treatment services for Medical Assistance (MA).

The "Rule 25" process has been the method for eligible people to access publicly paid SUD treatment services in Minnesota. This has been the only process for assessing eligibility for SUD services through counties, Tribes, and Managed Care Organizations (MCOs). This process has been in place since the late 1980s.

Effective July 1, 2022, comprehensive assessments will replace the Rule 25 assessments, and the Rule 25 process will no longer be available. Counties and Tribes will no longer be able to authorize treatment services using this process as of July 1, 2022. Counties must accept financial responsibility for individuals eligible for SUD treatment determined by a separate entity but maintain a cost - share up to 22.95% under the Behavioral Health Fund as payor only.

With the changes in the Substance Use Disorder (SUD) process under SUD Reform and Direct Access, counties have been taken out of the decision-making role, yet currently under statute remain financially responsible for eligible clients.

Due to SUD Reform and changes to the access and financial controls Counties should no longer be financially responsible for a county share in costs that are paid through the Behavioral Health Fund.



### Invest in Local Public Health

In 2021, the Minnesota Legislature dedicated increased funding to support Minnesota’s public health infrastructure with COVID-19 continuing to impact our communities. Thank you! The need for broad, flexible, and timely funding to meet community needs has been demonstrated, and the Local Public Health Grant (LPHG) is the state’s main investment in core prevention services mandated through statute ([MN Stat. § 145A](#)). The Local Public Health Grant is a critical funding source that provides for the foundation of the system across the state to meet mandated services.



Goodhue County supports increased funding to the Local Public Health Grant (LPHG). To limit administrative costs, consider integrating any new funds and grants into the LPHG which allows maximum flexibility to meet local needs throughout the state.

### Expanding Woman, Infant, and Children (WIC) Delivery through Telemedicine

As a result of the COVID-19 pandemic, health and human services agencies have started to deliver services in new ways, including via telemedicine (both phone and video). One of the federal level requirements for WIC programming is that visits be conducted in-person. During the COVID-19 emergency, waivers were put in place to allow visits to happen via phone or video. However, this waiver expires 90 days after the end of the federal declaration of emergency. Allowing tele-visits for WIC has enabled local public health to reach more customers in need, increase efficiency of staff by allowing them to see more customers, spend less time traveling, and has reduced barriers for clients.

### About Goodhue County Health and Human Services:

The mission of Goodhue County Health and Human Services is to “Promote, Protect and Strengthen the Health of Individuals, Families, and Communities.” The department has three service divisions: Economic Assistance, Public Health, and Social Services and is accredited by the National Public Health Accreditation Board (PHAB). For more information on Goodhue County Health & Human Services, please visit [www.co.goodhue.mn.us/HHS](http://www.co.goodhue.mn.us/HHS) and [www.facebook.com/gchhs](https://www.facebook.com/gchhs).





# County-Based Purchasing

## House Health Finance and Policy Committee

February 2, 2021

*Steve Gottwalt, Executive Director*



# Models for Delivering Minnesota Health Care Programs (MHCP)

- **DHS Fee-for-Service (FFS)** – administered by DHS
- **Traditional MHCP Managed Care** – administered by HMOs
- **County-Based Purchasing (CBP)** – administered by **local Counties**
- **Integrated Health Partnership (IHP)** – embedded by DHS in the above



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County Health Plans

[www.machp.org](http://www.machp.org)

# Models for Delivering Minnesota Health Care Programs (MHCP)

- All MHCP delivery models have their place
- No one model fits all 87 counties
- Minnesota and its counties must collaboratively decide what model best serves the people in each county



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## **The CBP Model: DHS contracts with counties to**

- Manage and pay for all MHCP-covered services to local residents enrolled in state public health care programs
- Accept 100% financial risk (up/down) for the total cost of MHCP participants' health care, under capitated rates determined by DHS
- Accept reimbursement under the same DHS reimbursement methodology as HMOs
- Carry-out all regulatory reporting and compliance requirements



## **CBP is a truly unique, Minnesota model**

- Locally owned and governed by the county or counties served\*
- Given special authority under Minnesota law (1997, [256B.692](#)) for the purpose of providing more dependable, locally focused and accountable access to care for MHCP enrollees
- Organizationally integrated with county health and human services resources, including resources important to effectively address social determinants of health and health equity

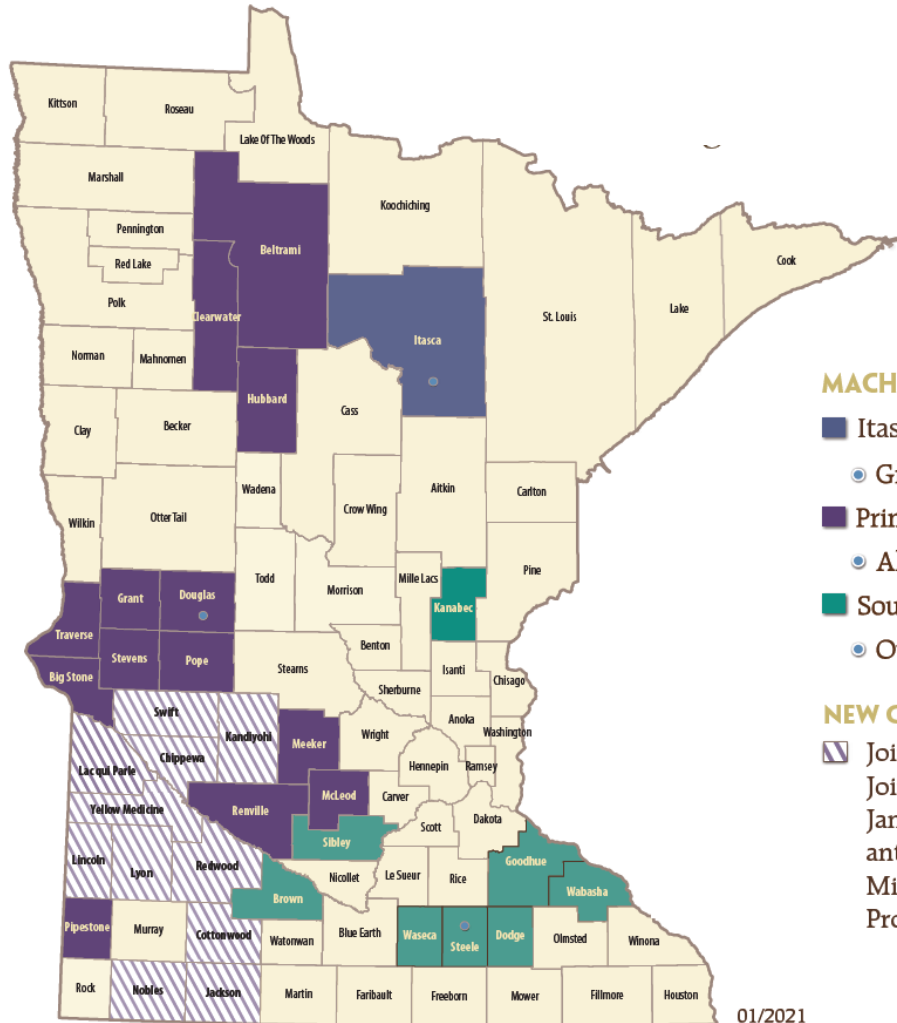
*\*Hennepin Health has CBP attributes but is not technically a CBP plan.*



## **CBP is not for every county**

Risk-Reward trade-off, with reward based on what the local community values and believes will work best for its vulnerable residents. CBP requires significant county commitment and investment.

# Counties engaged in CBP today



### MACHP MEMBERS – ACTIVE CBP

- Itasca Medical Care
  - Grand Rapids
- PrimeWest Health
  - Alexandria
- South Country Health Alliance
  - Owatonna

### NEW CBP COUNTIES

- Joined PrimeWest Health Joint Powers Board January 1, 2020, in anticipation of serving Minnesota Health Care Programs (MHCP) in 2023

01/2021

- **Itasca Medical Care** ([www.imcare.org](http://www.imcare.org)), headquartered in Grand Rapids, owned and governed by Itasca County, with enrollment of over 9,100 members. Itasca is the original CBP county in MN, starting in 1982.
- **PrimeWest Health** ([www.primewest.org](http://www.primewest.org)) headquartered in Alexandria, owned and governed by 13 counties, with enrollment of over 47,000 members. 11 new CBP counties joined PrimeWest Health Joint Powers Board in 2020 in anticipation of serving Minnesota Health Care Programs (MHCP) in 2023.
- **South Country Health Alliance** (<https://mnscha.org>), headquartered in Owatonna, owned and governed by 8 counties, with enrollment of nearly 29,000 members.



## What the State gets from CBP and what makes CBP uniquely effective

- **Public transparency** – CBP complies with all government sunshine laws and regulations, an attribute embraced and advantageous to integration
- **Public accountability** – CBPs are governed by locally elected public officials; few people are more sensitive to local needs, concerns, and change
- **Social and civic responsibilities** – Neighbor caring for neighbor, and local government commitment to the well-being of local residents
- **Economy of scale** – Ability to make limited tax dollars go farther, integrating county resources with state resources to achieve Minnesota's MHCP goals
- **Leverage public-private partnerships** – Integrate public and private health care and human services resources – no one sector does it alone





## What the State gets from CBP and what makes CBP uniquely effective

- **Integration** – MHCP payer linked with significant county health and human services resources to more readily leverage integrated service delivery across the entire health care continuum
- **Local Convener** – As local MHCP administrator, CBP has a broad spectrum of local stakeholders with which to collaborate in addressing local needs
- **Value-Added** – Payments to CBP plans cover care, improve access, elevate quality, and emphasize cost-effectiveness, building-up our communities not reserves
- **Innovation** – Unique local needs drive unique, replicable solutions achieving better health, fuller life, health equity and lower costs



## Preserving the CBP model

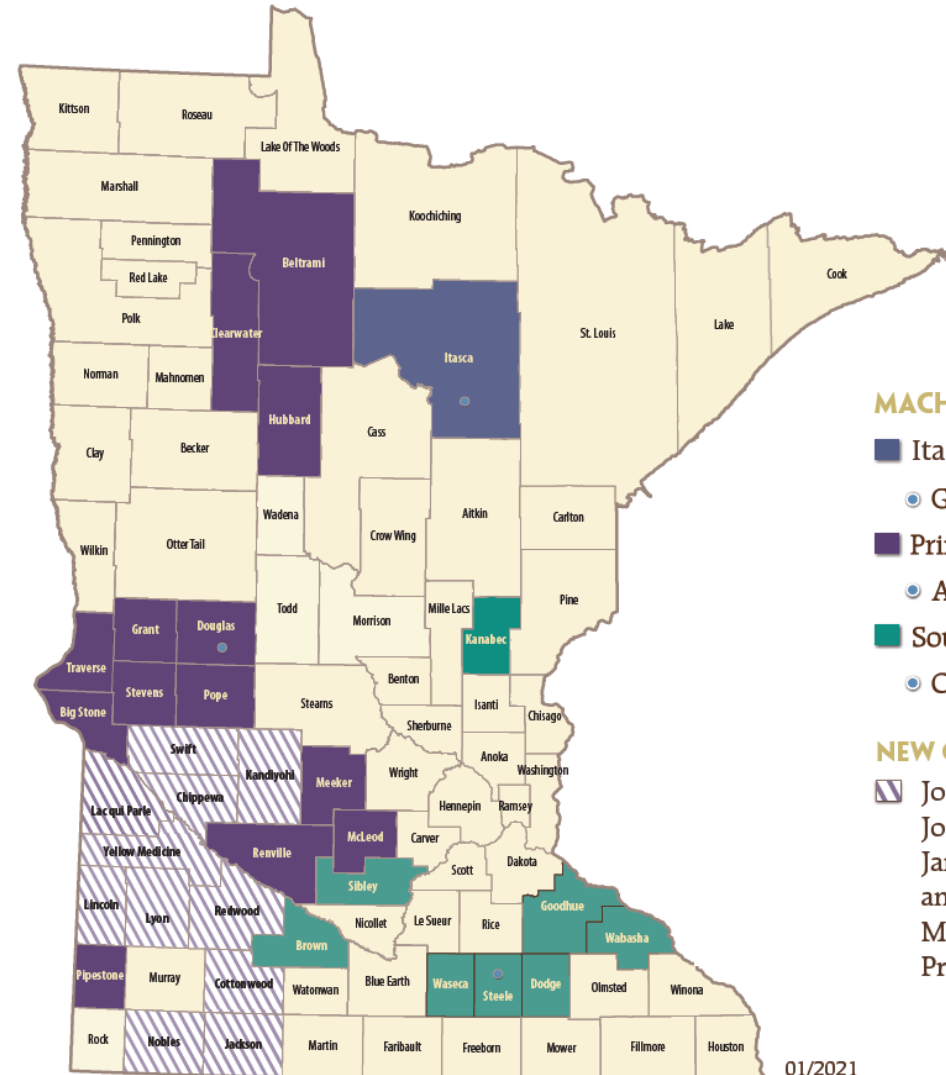
- **State Law 256B.692** – Minnesota law calls for full implementation of CBP and county authority, and requires the state to seek any federal waivers necessary to fully implement the CBP model.
- **Uphold County Authority** – Resist attempts to eliminate or water-down county authority and CBP, a local model that does so much good and consistently saves the state money while strengthening rural communities. Counties can!
- **Resist Benefits Carve-outs** – Proposals for the state to takeover administration of prescription drug, dental and other benefits are short-sighted and erode continuity of care management.





# MINNESOTA ASSOCIATION OF County Health Plans

# *Thank you!*



### MACHP MEMBERS - ACTIVE CBP

- Itasca Medical Care
  - Grand Rapids
- PrimeWest Health
  - Alexandria
- South Country Health Alliance
  - Owatonna

### NEW CBP COUNTIES

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## State-Subdivision Agreement - Statutory Change Component Overview

### Global Peace is contingent on statutory change

#### Background

The Association of Minnesota Counties (AMC), the League of Minnesota Cities (LMC), the Coalition of Greater Minnesota Cities (CGMC), the State of Minnesota (State) and the Minnesota Attorney General's Office (AGO) [the parties] have reached a tentative agreement which achieves Global Peace or the full amount Minnesota is eligible for under the National Opioid Settlement!

This agreement is contingent on changing Minn. Stat. § 256.043, subd. 3(d), to remove<sup>1</sup> a provision which appropriates 50 percent of the amount remaining in the state's Opiate Epidemic Response Fund for county social service agencies<sup>2</sup> to provide child protection services to children and families who are affected by addiction. AMC, LMC, CGMC, the State of Minnesota and the Attorney General's Office strongly support this statutory change and strongly commit to working together to achieve this change during the 2022 legislative session.

*1 Use of the word "remove" refers simply to the desire to eliminate the statutory language that restricts the counties' use of funds, and instead allow counties to use funds to most effectively fight the opioid crisis, in compliance with the Approved Uses. It is the intent of the Parties that counties would continue to fund child protection services for children and families who are affected by addiction.*

*2 This amount also includes appropriations to tribal social service agencies under current law. It is the intent of the parties that the statutory change would only affect the county share and would not impact the provision of funds to tribal social service agencies.*

#### Commitment

To ensure that the parties achieve this statutory change:

- The state-subdivision agreement will include a robust clause detailing the parties' commitments to achieving statutory change
- The state-subdivision agreement will include a clause which commits parties to return to the negotiating table if the statutory change is not accomplished during the 2022 legislative session.
- The parties will work together to convene a Bill Drafting Workgroup to finalize the bill language by the end of December. The group will meet at least weekly for the month of December. The group will include representatives of LMC, AMC, CGMC, the State, the AGO, OERAC, Revisor's Office and relevant committee leadership.
- The Governor is committing staff to participate in the Bill Drafting Workgroup on the development of a consensus bill as a stand-alone piece of legislation that can be passed and signed.

#### Default

Because a 75/25 allocation in the state-subdivision agreement under current law would leave the state with inadequate resources (12.5%), the state-subdivision agreement will include a provision which shifts from 75% to local governments and 25% to the state to 60% for local governments and 40% for the state if statutory change is not accomplished.

**The purpose of the 60/40 allocation default is to balance the gains and losses and risks for both the subdivisions and the state in the event that section 256.043 is not amended to remove the appropriation to counties for child protection services.**

The state-subdivision agreement may also include additional provision which are still being worked out. They may include:

- A provision making it clear that 75/25 is the goal and whenever section 256.043 is amended per the MOA, the 75/25 allocation will go into effect
- If section 256.043 is amended to reduce, rather than remove, the amounts appropriated to counties for child protection services, the overall allocation would be modified proportionately to the percentage reduction in the statute. o For example, if section 256.043 is amended to reduce the counties' child protection appropriation from 50% to 25%, the new allocation would be a 67.5% local government share and a 32.5% state share.

While these provisions are intended to balance risk and create some assurances because they are complex and could open the door to unintended consequences and misinterpretation, they are still being worked out.

**Allocation models 75/25 Allocation (under amended law)**

County share:

- 60.86% overall share
- \$180,161,790.43 (with full bonuses)

Cities

- 14.14% overall share
- \$41,850,881.00 total (with full bonuses)

State share

- 25% overall share
- \$74,004,223.81 total (with full bonuses)

**60/40 Allocation (under current law)**

County share

- 68.69% overall share
  - o 48.49% direct
  - o 20% child protection services appropriation
- \$203,332,811.39 total (with full bonuses)

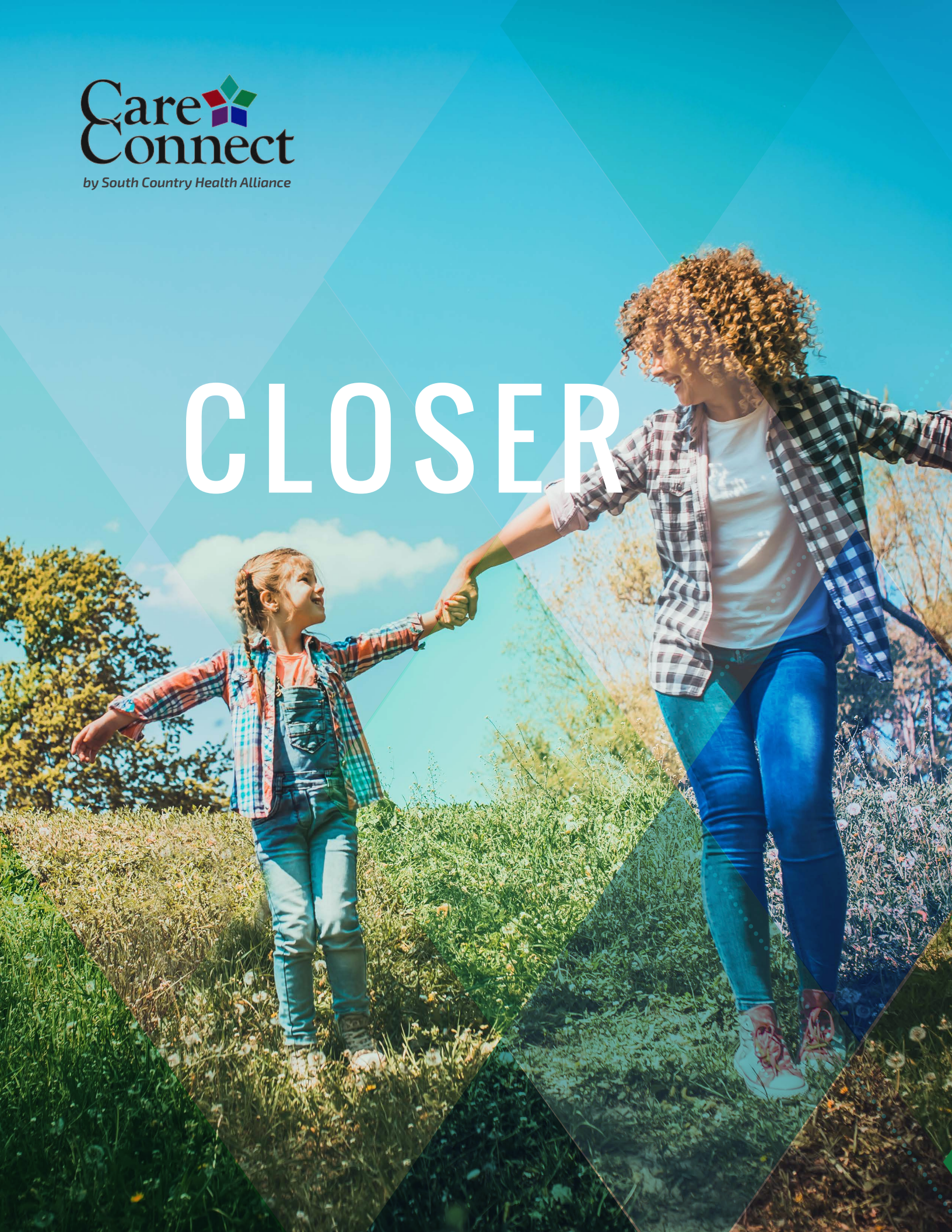
Cities

- 11.31% overall share
- \$33,480,704.80 total (with full bonuses)

State share

- 20% overall share
- \$59,203,379.05 total (with full bonuses)

# CLOSER



*CareConnect is the heart and soul of South Country Health Alliance. It's the how and why of what we do. It's the way we create a closer connection with the people, providers and processes that foster better health.*

**COLLABORATION**  
**PARTNERSHIP**  
**INTEGRATION**  
**ADVOCACY**  
**EFFICIENCY**







**CLOSING THE GAPS.  
BRINGING BETTER  
HEALTH CLOSER.**



*Health is more than medical care. It's also about having enough food, shelter, social support and other things that keep us alive and well. These basic needs are often called the ["social determinants of health."](#)*

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The social determinants hit home for people who need [Minnesota Health Care programs](#). These government-supported health programs help people get medical care when they are dealing with financial hardship or who are living with disabilities. That includes about 20 percent of Minnesotans of all ages—parents, children, pregnant women—as well as senior citizens. Having health insurance so that you can afford to see a doctor and get medicine is important. But if you're not able to meet your own basic needs, or your child's, simply visiting the doctor won't get you closer to achieving real health and wellness.

*Imagine that you want to be seen for an illness but have no way to reach the doctor or pharmacy. Or that you want to help your children stay well, but can't get to a grocery store—or even afford food. How do you improve your health when you're sick, hungry and struggling to pay rent, heat or electricity?*

## *Gaps for people in rural areas*

The social determinants hit rural Minnesotans with fewer resources in hard ways. And sometimes in different ways than in cities. Rural areas are more isolated. There are fewer people, fewer choices and often fewer resources.

That reality can make health care more expensive—for those trying to help, and for those in need. There's less supply, greater distances to travel, and the counties and providers tasked with helping people in need have a smaller base of financial support than a big city and big hospital.

## *Gaps for insurers and providers*

The fact is, metro-based health plans serving people on these programs in rural Minnesota often cannot address the barriers to care that are made larger by rural life—even though these plans want to help. There's simply a greater distance between them and rural people struggling to meet basic needs.

Many people using government health care programs have complex medical, mental health and social needs. Many are dealing with disease, disability or crisis in their lives. Most are children, vulnerable adults or elderly. They can't afford private health insurance, so they turn to [county public health and social services agencies](#) for help with basic needs and help accessing medical care. Getting that kind of personal, human support makes a person's health insurance more useful and meaningful.

County public health and social services staff visit with vulnerable people in rural areas to connect them with things like medicine and child care.

Food and safe housing. Recovery from addiction or mental health problems. And much more. They serve as advocates for people in need, and as a connector to other health programs and providers that can help.

## *Closing the gap together with medical & social support*

The South Country Health Alliance was created to do what traditional health plans and county agencies couldn't do alone. It brought medical care and social support closer together. Nine counties formed an alliance in 2001 that was a first for Minnesota: the first multicounty-owned health plan. They did it to close the gaps, and get people closer to better health. And it's helped the members in our county-owned health plan to truly get healthier.

Why do it? Because we're passionate about doing good things to help people. That's the culture and attitude at South Country. It comes from being part of the local community. And it inspires us to go above and beyond to serve people who need extra help.

The result is better health outcomes, and better life outcomes. We do that by working closely together with rural county agencies and other stakeholders. That's part of what makes South Country a "health multiplier." We multiply the impact of care in rural areas—connecting medical care, public health and social services—in ways that most health insurers cannot. Through closer relationships with local providers and social support networks, we integrate care in communities. And close the gaps.

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## *Being closer matters*

Proximity, awareness and experience matter in health care and in health. Local relationships matter. It's why South Country harnesses the power of neighbors serving neighbors. As rural nurses, social workers and practitioners who live where they work, our team and partners know the landscape of the local health systems—and the resources for health that exist outside of medical care—better than anyone. By living and working closer together, South Country and its partners keep everyone better connected. So we can share the right help. Faster. Easier. And with better use of the limited resources in each county we serve.

## *Because we are more than a health plan.*

A typical health plan can't add the value that's needed to adequately serve rural areas, in the ways we do, for people who need this level of help. Without South Country, people in the counties we serve would often fall through the gaps. We fill those gaps. With closer collaboration, communication and education. With an innovative model called CareConnect.





# CARECONNECT BRINGS EVERYTHING AND EVERYONE CLOSER.

*And that's the way  
health gets better.*



# CLOSER

## TO OUR MEMBERS

- **Sarah** didn't understand why her mom was receiving more bills from a nursing home stay. The costs should be covered, she thought, but that financial pressure made her consider moving her mom out of the high-level care she needed following a severe case of COVID-19. With help from a South Country counselor who reviewed the bills with her, Sarah learned the provider had submitted an error on the claims. Resolving the issue eased a massive financial and emotional burden for the family.
- **Louise** got out of the hospital and said she didn't need a case manager. But when she heard we could help, she mentioned that she slept in a chair and her husband, Frank, slept on a couch. They couldn't afford a bed, but it was getting hard to sleep on their furniture after her surgery. Her case manager contacted the Salvation Army, which donated a mattress big enough for the couple to share and helped deliver it to their home.
- **Yuusuf**, a refugee from Somalia, struggled with anxiety and depression. But he and his family had little experience talking about mental health issues or taking part in therapy. His Care Coordinator sensed Yuusuf's willingness to improve his health and kept reaching out, calling back, and ultimately connected the man with a culturally sensitive provider, as Yuusuf had hoped.
- **Cara**, a young adult, was raised by her grandmother and didn't know anyone who'd gone to college or trade school. By getting connected with our Healthy Transitions program, Cara got help applying for financial aid and a baking certification program she'd always wanted to try.

*Better health happens when people like Sarah, Louise, Yuusuf and Cara can connect with experts who live in the community. Experts who understand the barriers they face and will go the extra mile to find solutions faster and more effectively. So that South Country members can get timely, cost-effective care and overcome challenges like food insecurity, mental health problems, addiction and homelessness.*



# CLOSER

## TO OUR PROVIDERS

Members aren't the only ones who appreciate our personal touch. Local providers value South Country's responsiveness, too. They know they can talk with us and be heard and respected—whether they're at a large health system or a small family business. They like being able to solve problems together with everyone's best interests in mind.

Because the providers at these clinics, hospitals and pharmacies are part of the community too. They like that we're all on the same page, working toward the same goal.

When you work and live closer to one another, it's easier to stay in touch. Our team communicates more closely with county agencies and provider networks, so we know exactly how to help. By arranging rides to the doctor, and housing or heat assistance. By connecting people with the food shelf, support groups, mental health and substance use programs. By advocating for patients facing bills or seeking prescription medicines. By educating members about primary care relationships and why it's better than waiting to go to the emergency room.



# CLOSER

## TO OUR COMMUNITIES

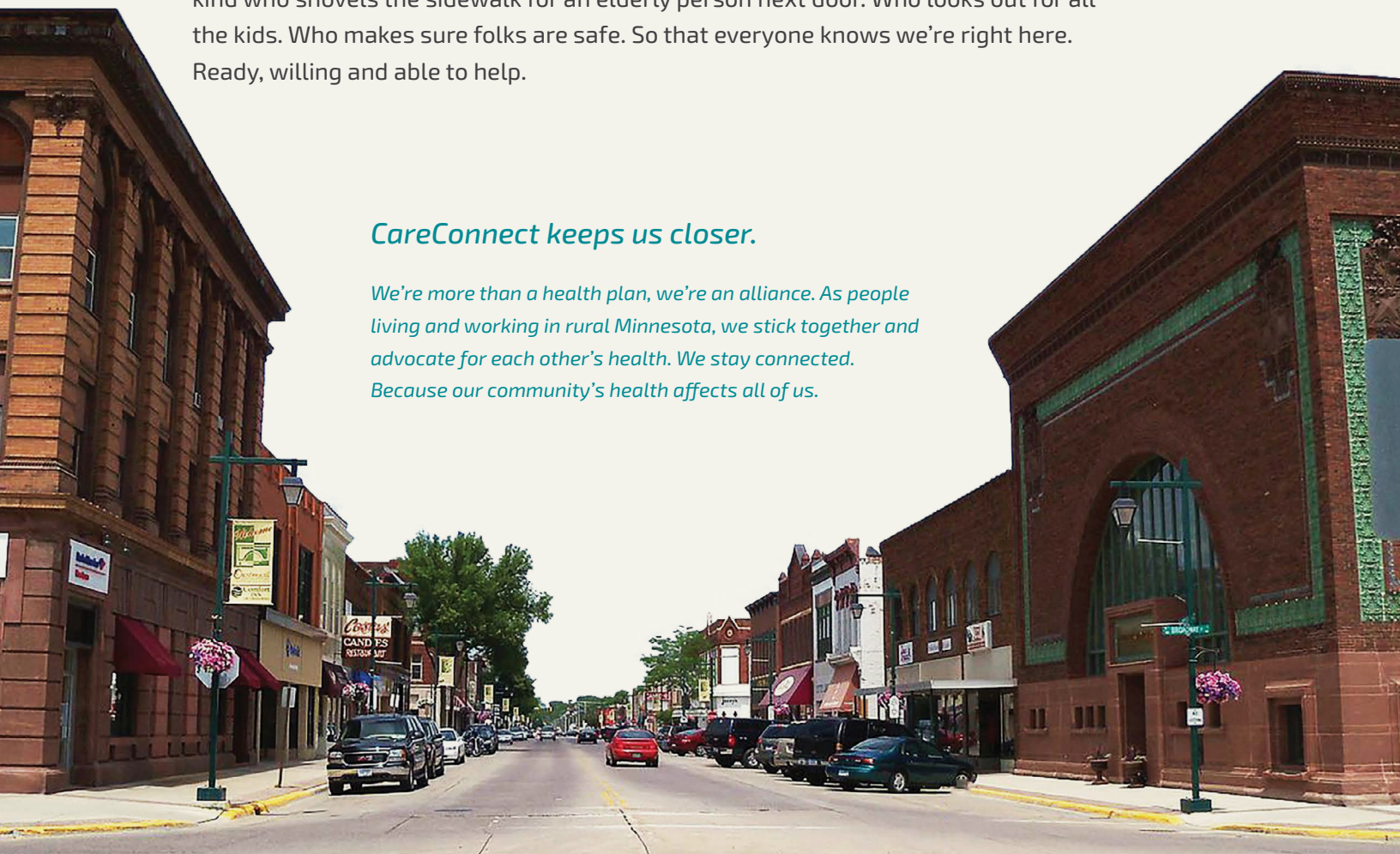
South Country is part of the community. Just like our members. Their health providers. And the many partners we work with. We're transparent, accountable and local. With a deep knowledge of the resources available locally, and a mission that drives us to work harder to connect everyone to better health.

Our human touch makes a big difference. We meet people's needs in ways that the sprawling approach of other health plans cannot. Many insurers may share the same goal of supporting health. But in reality they don't share the same service and solutions as South Country. Far-away health plans often rely on the enrollee to do all the work to bridge the gaps. There is no one else to call. No one who lives nearby. No one who literally "knows someone" who can help them in their time of need.

South Country knows our members need more help to bridge the gaps. So we created CareConnect. Because when you strip away the language calling us counties, providers or a health plan, we're genuinely just neighbors serving neighbors. The kind who shovels the sidewalk for an elderly person next door. Who looks out for all the kids. Who makes sure folks are safe. So that everyone knows we're right here. Ready, willing and able to help.

*CareConnect keeps us closer.*

*We're more than a health plan, we're an alliance. As people living and working in rural Minnesota, we stick together and advocate for each other's health. We stay connected. Because our community's health affects all of us.*







CLOSING  
THE GAPS.  
BRINGING  
BETTER  
HEALTH  
CLOSER.



South  
Country  
HEALTH ALLIANCE

## Closing the Gaps. Bringing Better Health Closer.

**South Country Health Alliance** (South Country) was founded by a group of counties to do what traditional health plans and county agencies couldn't do alone - to integrate care in our rural communities by bringing medical care and social support networks closer together. To close the gaps in our rural communities by providing high-quality care to people with low incomes and those with complex healthcare needs. South Country has deep roots in our communities and is proud to be serving our member counties for the past 20 years!

Through county-based purchasing, counties have the authority to purchase health care services for residents enrolled in Minnesota Health Care Programs. Our Joint Powers Board, comprised of elected County Commissioners from our Member Counties (Brown, Dodge, Kanabec, Goodhue, Sibley, Steele, Wabasha, and Waseca), provides guidance and overall direction for our health plan.

We're transparent, accountable, and local. South Country has a deep knowledge of local resources, and a mission that drives us to work harder to connect people to better health. Our strong ties to the community and local providers uniquely position us to respond quickly to our members' unexpected crises and challenges. We're neighbors serving neighbors. We know the landscape of the local health systems and the resources for health that exist outside of medical care.

Our Community Care Connectors live in the community and understand the barriers members face. They go the extra mile to find solutions faster and more effectively helping members get timely, cost-effective care and overcome challenges like food insecurity, mental health problems, addiction, and homelessness.



### **Our products & enrollment (Nov 2021: 30,974)**

**Medical Assistance:** 23,895 members. Adults and children who meet state income limits.

**MinnesotaCare:** 2,239 members. People of any age. Monthly premium based on family size and income.

**Minnesota Senior Care Plus (MSC+):** 935 members. People 65 + who are eligible for Medical Assistance.

**SeniorCare Complete (HMO SNP):** ★★★★★ Earned a 5 out of 5-star rating for 2022

1,476 members. MN Senior Health Options (MSHO) program for people ages 65 or older. Combines Medicare and Medical Assistance benefits into an integrated health care plan.

**Special Needs BasicCare (SNBC):** 2,429 members. Minnesota program for people ages 18 to 64 with disabilities who are eligible for Medical Assistance with or without Medicare Parts A and B. South Country has three SNBC programs:

**AbilityCare (HMO SNP):** 507 members. Combines Medicare and Medical Assistance benefits into one integrated South Country health care plan.

**SingleCare:** 819 members. Provides South Country Medical Assistance benefits for individuals not eligible for Medicare benefits.

**SharedCare:** 1,103 members. Provides South Country Medical Assistance benefits for individuals who receive their Medicare benefits from other health plans.



# **Goodhue County Public Works**

## **2022 Legislative Issues**

**December 14, 2021**

### **State Issues:**

- A. Stable Consistent Transportation Funding
  
- B. Revise Transportation Right of Way Acquisition Statutes that encourages the use of condemnation which results in project delivery delays and the waste of additional limited local transportation funds.
  
- C. Maintain 20% of Parks and Trails Legacy Funding allocated to the Greater Minnesota Regional Parks and Trails Commission.

### D. 2022 Bonds:

If Bonds are issued in 2022, please consider the following areas that impact County Transportation:

- Local Road Improvement Program.
- Local Bridge Replacement Program.
- Local Road Wetland Replacement Program.
- Goodhue Pioneer State Trail
- Cannon Valley Trail
- Outdoor Recreation Grants, Local/Regional Trail Connections, etc.
- Full Broadband Deployment

### **Federal Issues:**

- A. Huge Thank You for your work in passing the Federal Infrastructure Bill.
  
- B. Huge Thank You for supporting an 'Earmarked' funding request for Br. 25501 on County State Aid Highway 2.
  
- C. Support Development of US based companies to process recycled materials that can replace the use raw materials used by US manufacturers.



Lucas R. Dahling  
Finance Controller  
Goodhue County Finance & Taxpayer Services

*Lucas.dahling@co.goodhue.mn.us*  
509 W. Fifth St.  
Red Wing, MN 55066  
Phone (651) 385-3021

TO: Goodhue County Legislators  
FROM: Goodhue County Finance and Taxpayer Services  
SUBJECT: Minnesota Administrative Rule 8100, Ad Valorem Taxes, Utilities  
DATE: December 14, 2021

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## **BACKGROUND:**

The 1<sup>st</sup> Special Session of 2021 created a provision (Chapter 14--H.F. No. 9, Art. 6 Sec. 20) that required the commissioner of revenue to initiate a review of the framework for valuations of utility companies as prescribed in Minnesota Rules Chapter 8100. The Department of Revenue assesses property tax values for all utilities in the state and hosted listening sessions to gather feedback related to the valuation and appeals process, as well as timing issues from various stakeholders including utility companies, local governments, and lobbying organizations. Their final listening session was held on November 22<sup>nd</sup>, 2021.

## **ISSUE #1:**

### **1) Department of Revenue's Timeline of Utility Companies Valuations:**

Local government preliminary levies must be certified by September 30<sup>th</sup>, while the deadline for Administrative Review of utility companies' valuations as completed by the State of Minnesota is October 1<sup>st</sup>. This timeline is broken as it does not provide local government the ability to certify levies based on the revised utility values. Municipalities are using the values reported to the State of Minnesota in the PRISM submission 2 that is due September 1<sup>st</sup>.

The October 1<sup>st</sup> deadline doesn't take into account that it requires additional county staff time to maintain the revised values in their tax system. This leads to some counties not being able to make all of the updates before the Truth in Taxation Notices (TNT) are issued. As a result, multiple county's TNT notices may be incorrect. The reason why some counties are unable to make all of the updates before TNT's go out is that it takes a significant amount of time to maintain the changes, recalculate tax capacity, exchange values with other counties, calculate tax rates, and exchange those tax rates with other counties by the October 11<sup>th</sup> deadline.

This timing issue presents a significant problem for jurisdictions in which utility companies make up a large portion of the tax base. For example, utility companies made up more than 23.5% of Goodhue County's tax capacity and 52.9% of the City of Red Wing's tax capacity in 2020. The County's reduction in state assessed utility equalized marked value between August 9, 2021 and September 30, 2021 was over \$74 million. The County had to maintain the changes in the utility values for the TNT Notices given the reduction was so large. When the state assessed valuations are appealed and subsequently reduced, this shifts the tax burden to all other taxpayers. Additionally, when reductions in value occur through tax court, local governments cannot collect the tax dollars they have levied. This is not sustainable and could prevent local governments from providing necessary services.

**Recommendation:**

There are two options that could fix the timing issue experienced by all local governments that host utility properties within the State.

- a) The first option would be to maintain the current timeline, but to make the valuation changes effective for the subsequent property tax year. This would give the Department of Revenue sufficient time to complete their work without negatively impacting local governments.
- b) The second option would be to shorten the appeals timeline, which would move the Administrative Review deadline prior to the September 30 preliminary levy certification deadline. This would be difficult for the Department of Revenue to accomplish, but could be beneficial to the utilities.

**ISSUE #2**

**2) Interest Charged on Property Taxes Reduced by Tax Court:**

When property taxes are reduced as a result of a tax court decision, counties must refund the difference. Interest must also be paid at a rate of 4%. Local governments are limited by Minnesota Statute 118A to making investments in conservative assets which are currently paying significantly less than 4%. There is no way counties and schools can make up for the interest rate differential. The 4% interest rate is unreasonably high based on the current economic environment and since valuations are performed by the State of Minnesota, it punishes counties and schools for something in which they have no control.

**Recommendation:**

There are two options that could fix the unreasonably high interest rate being charged.

- a) The first option is to require the State of Minnesota to pay the interest. Logic dictates that if the State of Minnesota is assessing the value, it should be required to pay the interest.
- b) The second option is to change the 4% interest rate to the risk free rate based on U.S. Government T-bills.



## Goodhue County

### Broadband Infrastructure Partnership Program

#### I. Purpose

Through the use of funds allocated from the American Rescue Plan Act (ARPA) this Program is to be established to encourage and assist in financing broadband projects across the county. These projects should be designed to serve unserved or underserved households and businesses. As defined by the [MN Office of Broadband Development](#), *“An unserved area is an area of Minnesota in which households or businesses lack access to wire-line broadband service at speeds that meet the FCC threshold of 25 megabits per second download and 3 megabits per second upload. An underserved area is an area of Minnesota in which households or businesses do receive service at or above the FCC threshold but lack access to wire-line broadband service at speeds 100 megabits per second download and 20 megabits per second upload.”*

#### II. Program Guidelines

- a. Funds will be used from American Rescue Plan Act.
- b. Funds are limited and are First Come, First Serve
- c. In accordance with the ARPA, funds must be Obligated by 2024 and spent by 2026.
- d. Any project must be completed within proposed timeline to ensure payment.
- e. Goodhue County encourages cost participation with provider and taxing jurisdiction.
- f. Preference will be given to those providers/projects that have relationships with a taxing jurisdiction
- g. Project must meet the definition of the guidelines as outlined by the US Treasury (Outline speed requirements, [Interim Final Rule – pg. 7](#))
  - i. Projects must also be designed to serve unserved or underserved households and businesses, defined as those that are not currently served by a wireline connection
  - ii. Reliably meet or exceed symmetrical 100 Mbps download speed and upload speeds; or
  - iii. In cases where it is not practicable, because of the excessive cost of the project or geography or topography of the area to be served by the Project:
    1. Reliability meet or exceed 100 Mbps download speed and between at least 20 Mbps and 100 Mbps upload speed; and
    2. Be scalable to a minimum of 100 Mbps download speed and 100 Mbps upload speed.

**III. Project Submittal/Approval**

- a. Project must be submitted by a provider or developer via the forms provided.
- b. Goodhue County will make every effort to respond to the project proposal within 30 days of submission.
- c. County staff, via a Committee structure, will review the proposed Project and work to ensure all elements have been properly addressed.
- d. Consideration for approval of each project will be rated on the following criteria (a more detailed breakdown of criteria is included in the application materials):
  - i. Anticipated Broadband Improvements
  - ii. Community Participation
  - iii. Project Readiness
  - iv. Project Sustainability
  - v. Economic Development & Community Impact Review
  - vi. Broadband Adoption Assistance
  - vii. Partnership Funding Request Amount
- e. County staff will then review the Project and work with the recipient to ensure all elements have been properly addressed.
- f. Once staff feels the project is ready, the recipient will review notice of the proposals advancement and the proposal will go before the County Board for consideration of approval.
- g. County Board has final determination of all grant awards.
- h. If approved, the County Board must approve an Agreement with the Provider or Developer.
- i. Applications can be submitted beginning November 3, 2021.
- j. An initial review of applications will begin on January 3, 2022.
- k. The County will continue to accept and review applications after January 3, 2022 until all funding has been allocated or as instructed by County Board.

**IV. Payment for Project**

- a. Following the completion of the Project, an invoice must be submitted to Goodhue County by the provider or developer.
- b. Payment for the Project will be made by Goodhue County after the Project has been completed.
- c. Payment through Goodhue County may take up to 30 days to process.





**Scott O. Arneson**  
County Administrator  
Goodhue County

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509 W. Fifth St.  
Red Wing, MN 55066  
Office (651) 385.3001  
Fax (651) 267.4873

**November 4th, 2021**

## **Goodhue County Announces Broadband Infrastructure Partnership Program**

Goodhue County ascribes to the value of furthering the day to day well-being of its residents. In the modern-day, connectivity to the internet is critical for all, which is why Goodhue County has established a Broadband Infrastructure Partnership Program.

According to the MN Department of Employment and Economic Development (DEED), it is estimated that [3,435 homes in Goodhue County are unserved](#) with a wireline broadband service. Utilizing [\\$1.6 million](#) of the funds provided to the County through the American Rescue Plan Act (ARPA), Goodhue County seeks to partner with broadband providers, townships, and cities in expanding access to those unserved.

Funds for the partnership program, after review and approval from the Board of Commissioners, will be granted on a first come first serve basis. Applications for this program have already opened and the County will begin initial review of applications by January 3<sup>rd</sup>, 2022. For a program outline and a fillable application, please visit the [following website](#).

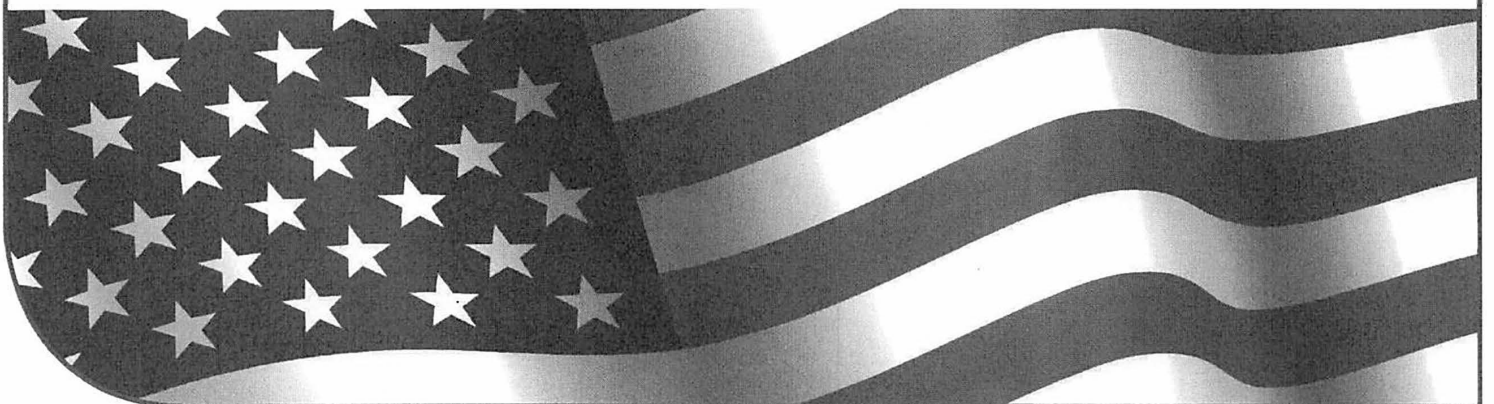


# Minnesota Commanders' Task Force 2022 Legislative Priorities

Congressionally chartered veterans organizations in Minnesota working together to pass legislation on behalf of all veterans.



Paralyzed Veterans  
of America





## Increase the state grant given to veterans service organizations

The annual grant for veteran service organizations has been decreasing over the past several years and has not been updated since 2009.

We urge lawmakers to increase it to \$1 million for the sake of bolstering our nonprofit and effective efforts to help veterans in our communities statewide.

## Pay a bonus to post-9/11 veterans, much like Minnesota did for veterans of other wars

The state of Minnesota has paid bonuses to veterans of previous wars but has not yet paid veterans of wars in Iraq and Afghanistan. We

## Did you know?

1. Congressionally chartered service organizations are nonpartisan, but they are political in that they advocate for veterans and veterans-related issues.
2. Veterans groups grow weary of their proposed nonpartisan legislation being used to play partisan politics on other bills.
3. Veterans make up 13 percent of the voting population in America.
4. Studies show supporting veterans garners elected officials greater trust among the general public.
5. The Commanders' Task Forces favors the notion of a veterans omnibus bill that contains only veterans-related language.



feel 2022 would be within the same after-action timeframe the other bonuses to other veterans were paid. We propose paying combat veterans \$1,000, era veterans \$500, and next of kin of servicemembers who died as a result of military action \$1,500 to show our state's appreciation for their service over the preceding 20 years of war.

## **Give property-tax relief for post homes**

State and county tax entities claim different interpretations of the property tax laws. Meanwhile, posts are closing as a result of heavy property tax burdens. Zero tax would remove any confusion

Considering that Post homes for The American Legion, VFW and other veteran service organizations do so much donating of time, money and building space in their communities, while at the same time struggling to remain open, the CTF would like to see to the state give 100 percent property-tax relief to Posts that own buildings open to their communities.



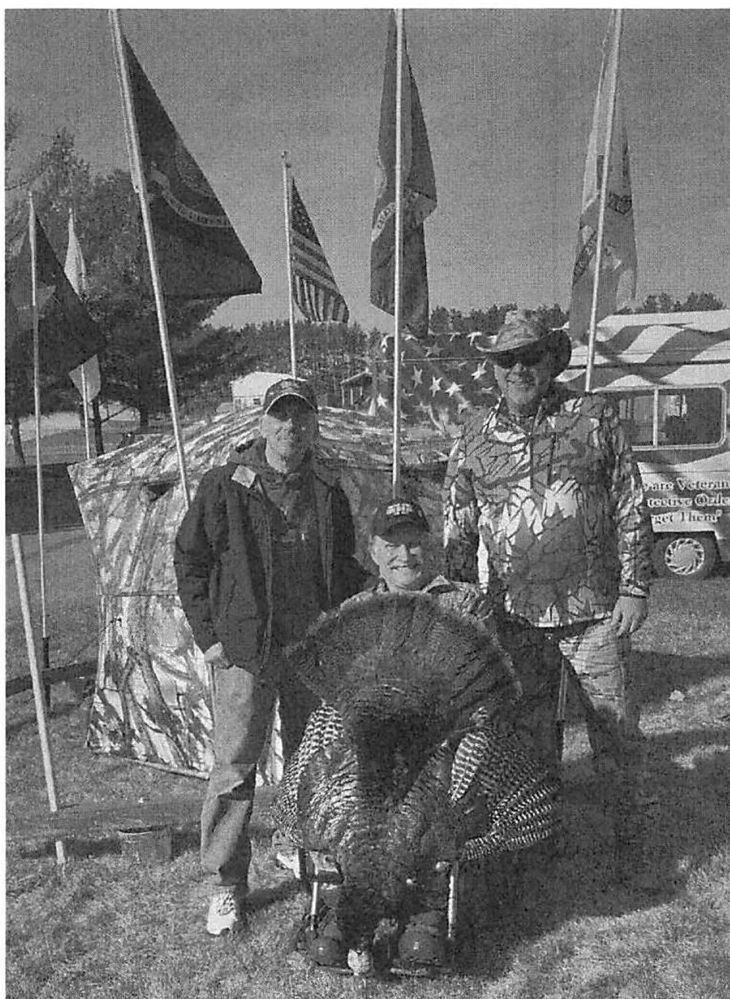
## **Reduce the cost of hunting, trapping and fishing licenses for disabled veterans**

We are working hand-in-hand with the Minnesota Department of Natural Resources to reduce the cost of hunting, trapping and fishing licenses for service-connected disabled veterans.

We advocate for the Minnesota Legislature to approve the result of this proposal, as it would likely increase net license revenue for the DNR and give Veterans the health benefits that come from the great outdoors.

## **Align the state definition of a veteran with the federal one**

This proposal ensures the language in Minnesota's definition of a veteran is aligned with the federal definition. Currently, there is a small amount of veterans, service connected, and federally recognized as veterans who are denied state benefits due to outdated language in the statute.



## Provide a Homestead Market Value Exclusion for DIC recipients

The current exclusion reads that the application for exclusion must be made by the surviving spouse within two years of the death of the veteran. This limited language doesn't allow for cases where the VA may take more than two years to make the proper decision for Dependency and Indemnity Compensation (DIC) it also excludes the vast majority of surviving spouses made eligible by the recent changes to Blue Water Navy Vietnam Veterans who may have passed away while being denied all benefits.

## Provide a percentage-based change to Homestead Market Value Exclusion

This proposal is a two-part initiative to improve the current benefit for those receiving it and to expand the benefit to more of our service connected disabled veterans in Minnesota. Part one is to make the benefit based on the percentage of the rated service connected disability proportionate to the maximum benefit. Example a 70% Service Connected would receive 70% of the maximum exclusion, so \$210,000 of the maximum \$300,000. The second part is to expand the benefit to all Veterans 50% service connected or greater.





**Scott O. Arneson**  
County Administrator  
Goodhue County

509 W. Fifth St.  
Red Wing, MN 55066  
Office (651) 385.3001

October 26, 2021

Representative Angie Craig  
12940 Harriet Ave South Suite 238  
Burnsville, MN 55337

Greetings:

On behalf of Goodhue County, we would like to thank the U.S. Senate for their action regarding the American Rescue Plan Act (ARPA) Flexibility Legislation and encourage the US House of Representatives to also take action. This legislation will provide direct, flexible aid for our County, and all other counties across the Nation. It will provide needed clarity regarding revenue loss, and most importantly, allow our County to invest in creative and innovative community-based solutions.

For Goodhue County, this proposal would be very impactful to those in need as we could provide emergency relief, emergency housing, food assistance, and community development projects throughout the County. If it would be beneficial, we would like to take the opportunity to engage with you in a virtual meeting so you could hear firsthand the benefits of this proposal and specifics about how the ARPA plans will influence our County.

Again, we thank you for your tireless efforts and hope the US House of Representatives takes action. Please don't hesitate to contact me with any comments or concerns.

Respectfully,

A handwritten signature in black ink that reads "Scott O. Arneson".

Scott Arneson

CC: Brian Anderson, Director of Finance and Taxpayer Services  
Joel Rustad, Acting Veteran Services Officer/ Legislative Liaison  
Matt Hilgart, Association of Minnesota Counties  
Goodhue County Board

**GOODHUE COUNTY BOARD OF COMMISSIONERS**

LINDA FLANDERS  
1<sup>st</sup> District  
1121 W 4<sup>th</sup> St.  
Red Wing, MN 55066

BRAD ANDERSON  
2<sup>nd</sup> District  
10679 375<sup>TH</sup> St. Way  
Cannon Falls, MN 55009

TODD GRESETH  
3<sup>rd</sup> District  
46804 Hwy 57 Blvd  
Wanamingo, MN 55992

JASON MAJERUS  
4<sup>th</sup> District  
39111 Co. 2 Blvd  
Goodhue, MN 55027

PAUL DROTOS  
5<sup>th</sup> District  
1825 Twin Bluff Rd  
Red Wing, MN 55066



Association of  
Minnesota Counties

# 2022 Legislative Priority Action Items

## BOARD ACTION ITEM

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**Action Item:** The board will select AMC's priority action items for 2022.

### **Considerations:**

The board should consider the information collected in policy committee meetings and at the district meetings (see the following pages). In addition, the board should consider the following:

- These items should be “headline” items that describe the highest priorities for the association.
- These items should demonstrate the broad scope of issues of importance to counties.
- These items should have a high level of support by most AMC members.
- These items should have a reasonable likelihood of legislative passage and signature by the governor.

These items will be framed within a document that also includes AMC's legislative principles.

AMC has three broad principles that we advocate for every year. Priorities are action items that might advance these principles:

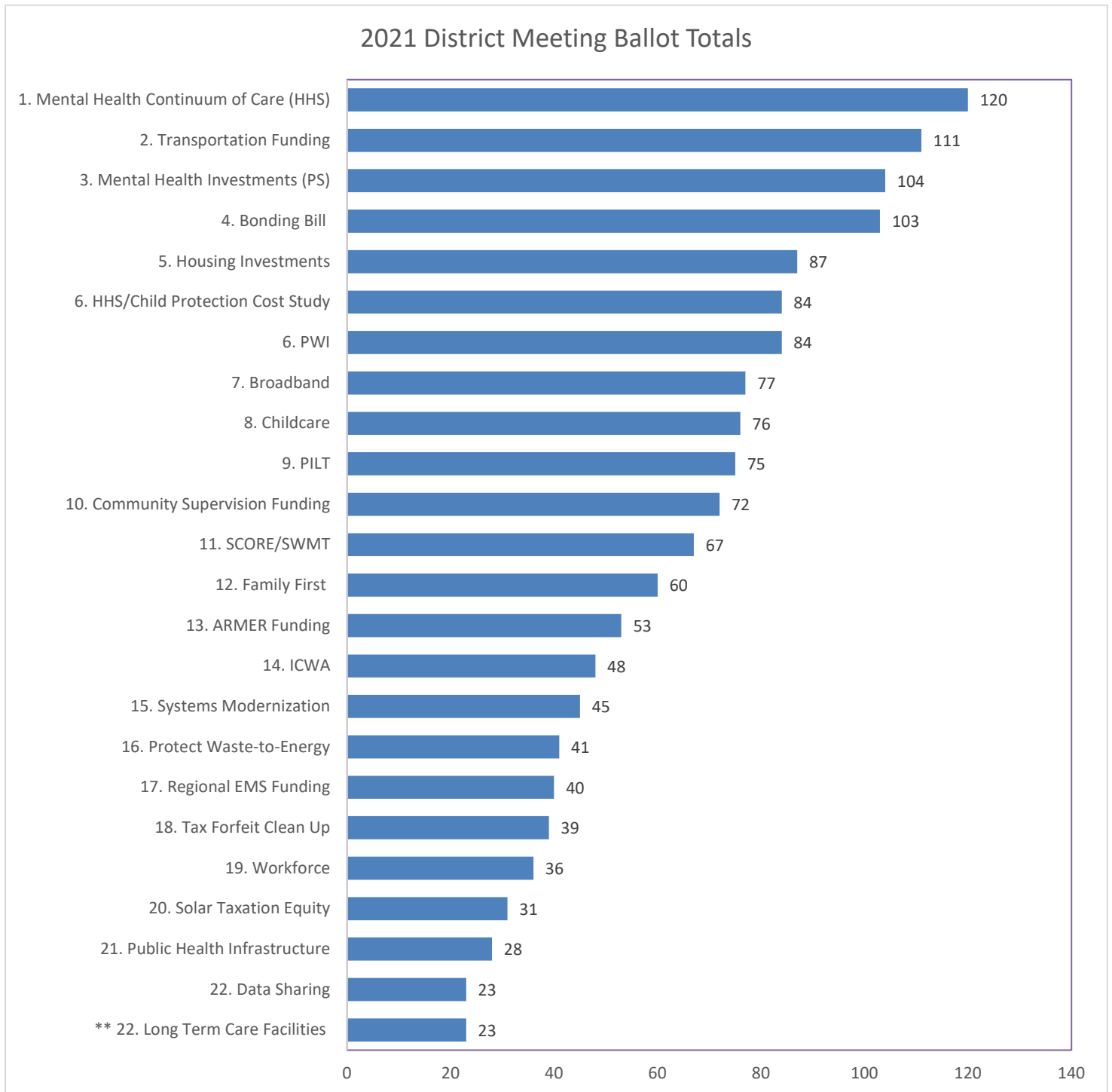
- Preserve local control so that counties have the flexibility to address the most pressing needs of their communities.
- State budget solutions should avoid adding or shifting a disproportionate burden to counties through cost shifts, cost shares and unfunded mandates.
- Funding for county-administered services should be commensurate with the level of service/results deemed acceptable.

For reference, last year the AMC Board approved the following legislative priorities:

1. **COVID-19 Response**
2. **Supporting Pandemic Recovery Efforts (Business Assistance/Housing)**
3. **Broadband Funding**
4. **HHS Waivers**
5. **Protecting County Program Aid**
6. **Community Supervision Funding**
7. **Tax-Forfeited Property Costs**
8. **Transportation Funding**

# Data from District Meeting Discussions

The chart below delivers a breakdown of total district meeting vote tallies for legislative priorities from members during the Fall 2021 District Meetings. Vote tallies for each proposed priority are broken down and listed below:





**District III**  
Mental Health (PS/HHS)  
Bonding  
PILT  
SCORE/SWMT  
Broadband

**District II**  
PILT  
Mental Health (PS/HHS)  
ICWA  
Public Health  
Long Term Care Facilities

**District I**  
PILT  
Mental Health (HHS)  
ICWA  
Bonding  
SCORE/SWMT

**District IV**  
Transportation  
HHS Study/Report  
SCORE/SWMT  
Mental Health (PS/HHS)  
Long Term Care Facilities

**District V**  
Broadband  
Community Supervision  
Bonding  
ARMER  
PILT/Solar Taxation  
Equity

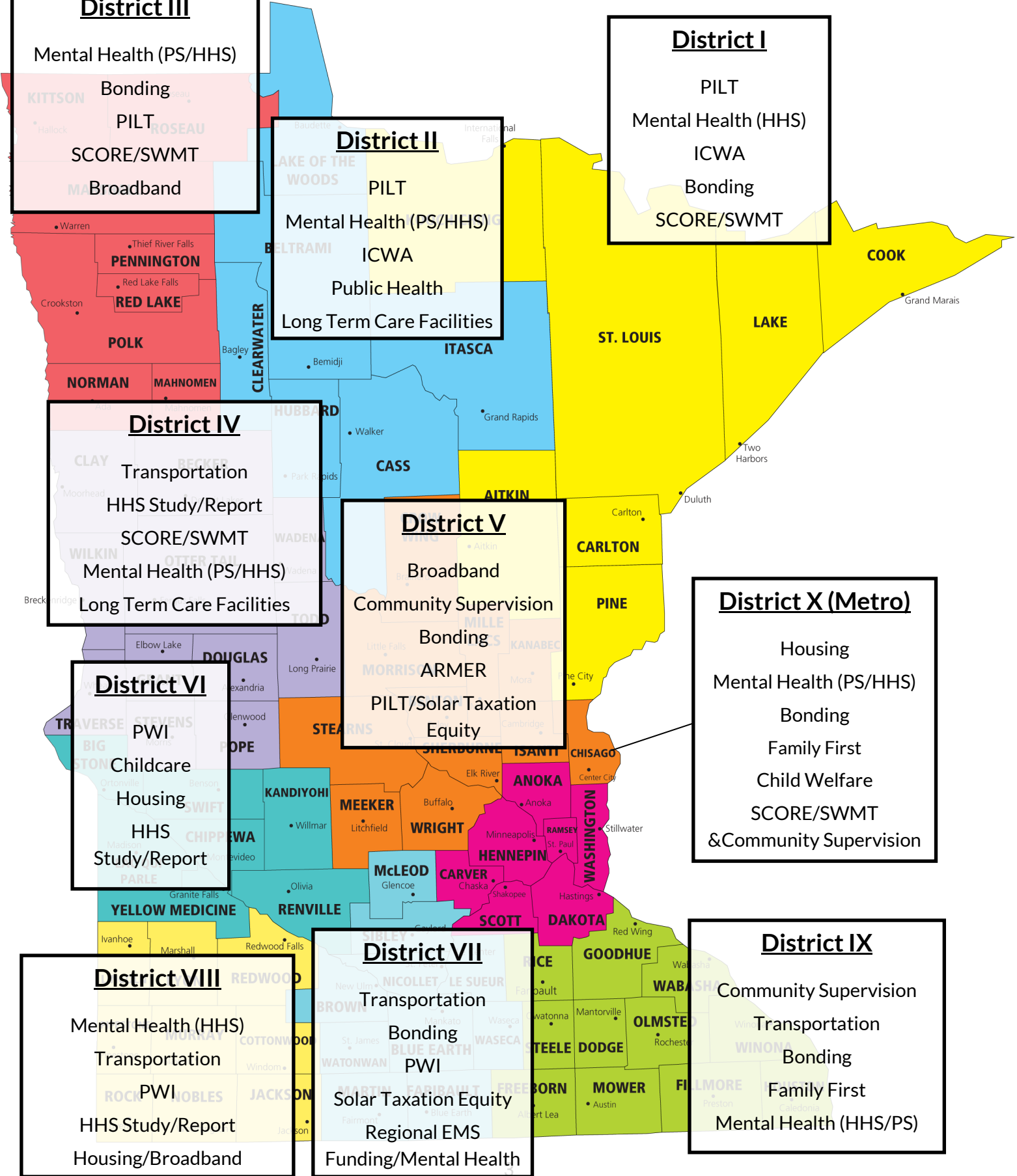
**District X (Metro)**  
Housing  
Mental Health (PS/HHS)  
Bonding  
Family First  
Child Welfare  
SCORE/SWMT  
&Community Supervision

**District VI**  
PWI  
Childcare  
Housing  
HHS  
Study/Report

**District VII**  
Transportation  
Bonding  
PWI  
Solar Taxation Equity  
Regional EMS  
Funding/Mental Health

**District IX**  
Community Supervision  
Transportation  
Bonding  
Family First  
Mental Health (HHS/PS)

**District VIII**  
Mental Health (HHS)  
Transportation  
PWI  
HHS Study/Report  
Housing/Broadband



# Detailed Description of Staff Recommendations (Alphabetized by Policy Committee)

## **Environment and Natural Resources: Public Waters Inventory**

*AMC supports a solution agreed to by stakeholders, including counties, for any proposed change to the Public Waters Inventory.*

**Background:** Public waters are all water basins and watercourses that meet the criteria set in law and identified on the Public Waters Inventory (PWI). Actions by the Administration and a recent MN Appeals Court decision have called into question the status of public waters and the process for designation of public waters. The DNR has made subtractions and is beginning to make additions to the PWI with limited public engagement. The statute created a robust public process for establishing the PWI and provides limited authority to make updates and corrections, neither of which seem to be in keeping with what is currently happening. Furthermore, a MN Appeals Court decision would throw out the regulatory certainty created by the PWI and potentially lead to delayed work, delayed decision making, and increased costs for local governments and regulated entities.

**Staff Analysis:** This issue received the highest number of votes among the environment and natural resources proposals. This priority language was added to the AMC platform last year and we have been more engaged in public waters discussions as a result. AMC introduced several legislative proposals last session and should consider renewed legislative pressure. The local government concerns have increased due to new developments over the last year. The AMC Executive Committee recently approved filing a request to participate as an amicus if the Minnesota Supreme Court agrees to review the recent MN Appeals Court decision regarding PWI. This issue is relevant, timely, and could impact all Minnesota counties. AMC should continue to request action on this issue with the Administration and Legislature.

## **General Government: Housing Investments**

*AMC supports additional state investments across the housing spectrum, including but not limited to: workforce and affordable housing, senior housing, and emergency and transitional housing supports.*

**Background:** Minnesota has a serious housing issue, including a lack of affordable, workforce, and senior housing that has implications for counties all over the state, affecting both the quality of life in communities and economic growth. Minnesota has a number of programs and initiatives aimed at addressing its inadequate housing supply and this priority would seek to add more investments in these as well as continued investments in Housing Infrastructure Bonds, the largest state source of capital for housing development. Increasingly, homelessness is becoming a pressing issue in both the metro area and Greater Minnesota, requiring further investments in emergency and transitional housing supports to help our most vulnerable populations.

**Staff Analysis:** Over the last few sessions AMC has lobbied on a variety of housing investment mechanisms, including, but not limited to, Housing Infrastructure Bonds (HIBs), naturally occurring affordable housing (NOAH), the housing development tax credit, shelter capital, and emergency assistance dollars. In the 2021 session counties/housing advocates saw several wins on the housing front, including \$100 million in HIBs, increased investments in MHFA agency affordable housing programs, and aid to counties for family/youth homeless prevention programming. Housing remains a priority and AMC staff see potential for an increase in funding in the 2022 session, should both parties be able to come to agreements.

## **General Government: HHS/Child Protection Cost Study Report**

*AMC supports a legislative study outlining budget impacts of child protection mandates on counties' levies, operations, and property taxes.*

**Background:** Minnesota counties serve as the main, on-the-ground administrators of many of the state's social safety net programs and have significant responsibilities overseeing the state's child protection system. Over time, counties have assumed increased duties and mandates in these arenas, adding complexity and additional work for counties while also increasing the costs of these services. After thorough Policy Coordinating Committee discussion, it was proposed to revise an original priority proposal that focused on evaluating the costs of all human services mandates down to counties work in the child protection system. Members argued that narrowing the scope of this report would be in the collective interest of broader county membership and produce more tangible data outcomes. As such, the revised priority would request a state study that responds to the following three questions:

1. What are the roles and responsibilities of counties in Minnesota's child protection system and how much are individual counties spending on duties related to child protection services?
2. How much does the federal and state government reimburse each county for the same social services?
3. How much is left on the bottom line for each county to make up for through property tax levies?

**Staff Analysis:** This priority language stems from existing AMC efforts started in the 2020 session to include a type of Health and Human Services cost study analysis in part of the Office of the Legislative Auditor's annual report selection process. While counties were unsuccessful in getting this topic on the list of OLA finalists, several legislators—in both chambers and parties—expressed interest in pursuing a report of the kind in future sessions. AMC staff believe that any report findings would set a solid foundation for counties to educate members on the increasing complexities and costs of child protection mandates in addition to assisting with any future lobbying efforts to pursue additional state support and/or new aid categories.

## **Human Services/General Government: Opioid Settlement Follow Up**

### **\*NEW, Proposed Priority Statement:**

*AMC will pursue and support legislation to implement the terms of the opioid intrastate allocation plan*

**Background:** In 2019, the state legislature established the Opioid Epidemic Response Advisory Council (OERAC) and a funding mechanism to address the consequences of the opioid crisis in the state. The current mechanism dedicates 50% of funds to counties for child protection services with the remaining 50% being granted out by OERAC. The legislation also intended any funding from national opioid settlements to be distributed through the OERAC mechanism. The entities that negotiated Minnesota's opioid allocation plan agreed that the state could better meet the parameters of the national settlement by allocating most of the opioid funds directly to the entities that already work on substance use prevention and abatement. Direct payments to counties and cities will give them the most flexibility in meeting their specific community needs rather than the money being distributed via OERAC specifically for child protection.

**Staff Analysis:** A focus of Minnesota's national opioid settlement negotiations was the distribution split between the state and local governments. The negotiating parties agreed on what the split should be, but AMC wanted the full county distribution to be allocated directly to counties rather than the percentage being a combination of direct payments and allocations from OERAC. AMC advocated for the county percentage to be fully allocated directly to counties, so it gives counties the most flexibility to use the funds as they see fit rather than some county funds being solely restricted to child protection. In order for Minnesota counties to receive the maximum percentage in the intrastate allocation plan, the state legislature needs to amend the OERAC statutes to prevent some of the national settlement funding from being distributed via the OERAC mechanism.

## **Human Services and Public Safety: Behavioral Health Continuum of Care and Infrastructure**

### **\*NEW, Proposed Priority Statement:**

*AMC supports a statewide effort to develop an accessible and reliable statewide behavioral health continuum of care and infrastructure that meets the needs of communities across Minnesota, including justice-involved and incarcerated individuals.*

**Background:** Counties across the state are struggling to serve their communities due to gaps within the behavioral health continuum of care throughout the state. The mental health system is inadequate to meet the needs across our state and the system has been further taxed during the current pandemic. Multiple approaches are necessary to reduce the impact of substance abuse and mental illness in communities. The state needs to build out a sufficient continuum of care across the state to ensure access to services and appropriate placements. Addressing this must include additional state investments, coping with glaring workforce challenges, and ensuring parity for mental health coverage by private insurance. Needed investments in statewide mental health infrastructure includes additional investments in crisis services and ensuring an appropriate state operated safety net of facilities are available.

Additionally, an increasing number of justice-involved and incarcerated individuals are experiencing untreated mental health conditions and substance use disorders due to a lack of resources in communities and correctional facilities. The few mental health and substance use providers in Greater Minnesota, and even many providers in the metro area, are at capacity and struggling to keep up. The lack of resources and untreated conditions have a large fiscal and societal cost as many individuals enter the criminal justice system and are not connected with the resources they need to treat underlying causes of criminal behavior. Not addressing mental health issues puts communities at risk and can lead to revictimization making it a critical area of investment for the state. Focusing on these specific populations is just part of the solution as a broader look at the statewide continuum of care for all community members is necessary.

**Staff Analysis:** The behavioral health continuum of care and increased mental health resources for justice-involved individuals were consistently voted top priorities at district meetings. Counties all have first-hand experiences with this challenge in 2021. The additional strain of the pandemic on mental and behavioral health can be seen in spiking statistics across the state. Waitlists for placements have grown, backlogs have led to pressures on jails, hospitals, and nursing facilities, and DNMC costs to counties have continued to increase. There are significant barriers many patients face to discharge into the community and there are glaring shortages of community placements and services, in part due to a lack of necessary workforce to administer services. Solving this crisis requires a collaborative approach that includes the state, counties, and our community partners working together to address both the immediate and acute challenges and make the necessary long-term investments in prevention and infrastructure. With 2022 being a bonding year, there are legislative champions poised ask for additional funding for regional mental health crisis centers. Legislators are seeing these challenges in their districts and are poised to support collaborative solutions.

The proposed priority language is a combination of two different priorities in the HHS and Public Safety Committees that overlap and address gaps in services for similar groups of community members. Instead of focusing separately on the same issue, it would serve our membership to approach the Legislature in a united way to ensure they understand that mental health and chemical dependency services are not only inadequate for justice-involved individuals, but rather that is a symptom of a larger statewide infrastructure issue.

## **Health and Human Services: Address Acute Childcare Shortage Across the State**

*AMC supports addressing the statewide workforce's need for affordable and accessible childcare.*

**Background:** Access to affordable childcare is central to our state's economic vitality. Currently, availability and affordability of childcare are persistent challenges across the state that have been exacerbated by broader workforce and economic challenges. Increased investment is needed in childcare assistance programs (CCAP) and basic sliding fee (BSF) childcare to ensure access is maintained and to support providers with appropriate rates. Additional grant dollars should be made available for innovative and creative childcare solutions such as navigators and startup support for providers – capital – to assist with business startup, procurement, and aid in the expansion and sustainability for existing providers.

**Staff Analysis:** This priority was a top 10 vote getter. AMC staff recognize the investments in Minnesota in 2020 and 2021 to preserve childcare providers across the state, including significant childcare retention grants and local county investments of CRP and ARPA dollars. However, this crisis pre-dated the pandemic, and it will still need investment after the pandemic. This issue impacts children's safety and early childhood development, as well as the economic development opportunities in our state that is facing a workforce shortage. Counties are looking creatively at how to support and more collaboratively license new models and facilities. Counties were able to advocate in 2021 for a temporary reprioritization of the BSF waitlists and empower counties to be more targeted and efficient to meet the childcare needs of working families – there is an opportunity this session to make these administrative changes permanent.

## **Public Safety: Community Supervision**

*AMC supports changes to the community supervision funding model so that state fund allocations are transparent, needs-based, and equitable among county and state supervision providers. Counties need a substantial increase in community supervision funding to achieve this model.*

**Background:** Minnesota's county-based probation systems are chronically underfunded as a result of the current funding mechanism. The current method is ineffective, unsustainable, and inequitable for counties because it requires the three delivery systems to fight for the same funding without a cohesive voice. All three delivery systems (County Probation Officers, Community Corrections Act, and Department of Corrections) have embarked on an initiative to change the funding mechanism and ensure that all counties are able to provide all core probation services regardless of their tax capacity or delivery system. AMC is an instrumental voice in this change process at the Legislature in both creating broad legislative support and ensuring that changes support county needs. AMC supports system changes that meet the criteria above and include a significant increase in funding for county community supervision.

**Staff Analysis:** A community supervision funding priority has been a focus of AMC for a number of years. This year, there is a broader effort to change the way community corrections is funded throughout the state due to a funding inequity between the three probation delivery systems. The gap between state and county funding for probation has been continually increasing necessitating increases to property tax levies to ensure that effective community supervision is provided. AMC must continue to have a strong voice on this issue to ensure the gap does not increase and the inequitable funding system is changed at the state level. The Counsel of State Governments Justice Center has begun the Justice Reinvestment Initiative in Minnesota. Justice Reinvestment focuses on collecting data related to Minnesota's corrections system and providing recommendations to ensure that funding and services are equitable across counties and that Minnesota is getting the outcomes it desires from the investments made in corrections. Though the policy recommendations have not yet been released, AMC has been pushing for systemwide change in this area and sees this year as an opportunity to make movement in that area in a way that will benefit all counties.

## **Transportation & Infrastructure: Bonding**

*AMC supports a robust bonding bill that includes funding for transportation-related programs, including the Local Road Improvement Program, the Local Bridge Replacement Program, the Local Government Road Wetland Replacement Program, and the Busway Capital Improvement Program.*

**Background:** The Legislature passed a large bonding bill in October 2020, which included significant investments in local roads, bridges, and bus rapid transit, but there is still a significant amount of need for these programs statewide. There are over 600 deficient local bridges that need funding over the next three years, and the most recent solicitation for the Local Road Improvement Program received 425 applications totaling \$344 million in requests – well exceeding the \$75 million available in the 2020 bonding bill. The House introduced a \$1 billion bonding bill last session that included significant investments for transportation, but the bill never made it to the House Floor for a vote. The 2022 session is considered a bonding year and after House and Senate bonding tours this fall and winter, there will be a desire to pass another robust bonding bill. Capital requests from MnDOT, Met Council, and BWSR indicate strong support for the four programs listed in our priority statement. Agency request are as follows: \$200 million in GO bonds for the Local Bridge Replacement Program, \$150 million in GO Bonds for the Local Road Improvement Program, \$60 million in GO bonds for the Busway Capital Improvement Program, and both \$14 million in GO bonds and \$6 million in GF cash for the Local Government Roads Wetland Replacement Program.

**Staff Analysis:** This priority was in the top five in terms of vote totals at district meetings. While we still need to continue educating legislators on the need for a comprehensive transportation funding bill with new revenue for roads, bridges, and transit, one place we will likely see investment in transportation next session is through a bonding bill. AMC support for funding of these four programs through a bonding bill might be the best opportunity for transportation funding in 2022. The Legislature will also need to address the state match requirement for the federal infrastructure bill (IIJA) that recently passed, and the bonding bill might be a vehicle for this funding to be secured in order to access these federal funds.

## **Transportation & Infrastructure: Broadband Funding**

*AMC supports equity in broadband infrastructure in Minnesota, including legislation that would provide adequate and continuous funding for the Border-to-Border Broadband Development Grant Program.*

**Background:** The COVID-19 pandemic only highlighted the disparities in broadband access across the state and created an even stronger need for additional investment. Last session, the Legislature appropriated \$70 million from the state's ARP Capital Projects Fund to fund the state Border-to-Border Broadband Development Grant Program. This was a record investment for the grant program and will go a long way in achieving border to border broadband in Minnesota. However, at the end of 2020 the Governor's Task Force on Broadband identified the need for \$120 million in biennial funding for the grant program until we achieve border to border broadband and to continue to meet the state speed goals. The total amount of the Capital Projects Fund is \$180 million, so there is still an additional \$110 million that the state has not appropriated and could be used for additional broadband funding.

**Staff Analysis:** While the \$70 million from the Capital Projects Fund was the largest investment in the broadband grant program to date, the fact that it is federal money has slowed down the process. The Office of Broadband Development is currently in the process of applying for this money, which means they were not able to open up a grant round this fall. There will definitely be a push to get additional broadband funding next session – whether it be additional money from the Capital Projects Fund or state surplus dollars. A cash investment from the state would help ensure that the grant program is funded right away and that another construction season is not missed. AMC will continue to work with the MN Rural Broadband Coalition to be a voice for counties on broadband so that we continue our efforts to meet the state speed goals and extend and improve networks in the hardest to reach places in Minnesota.

# Possible Supplemental Priorities

## **Environment and Natural Resources: Solid Waste Management/Protecting Waste-to-Energy Facilities**

*AMC supports reinforcing a county's ability to perform its solid waste management responsibilities as required by Minnesota Statutes Chapters 400 and 473. This includes ensuring the viability of resource recovery facilities, which support the state's solid waste management hierarchy and help provide an effective, efficient, and environmentally focused waste management system for all residents.*

**Background:** State statutes establish a waste management hierarchy to reduce waste and its negative environmental impacts. Counties are the government entity responsible for management of solid waste. Recent legislative efforts focused on energy and environmental justice issues have ignored the solid waste management statutes and conflict with the environmental stewardship efforts of counties to manage solid waste. We want to protect the environmental considerations that are already part of MS Chapters 400 and 473 and the investments that counties are making in these best management practices for solid waste.

**Staff Analysis:** This issue provides another opportunity to address a concern of both metro and rural counties, as well as remind legislators about the seriousness with which counties take their solid waste responsibilities. Bills attacking resource recovery as a viable and preferred environmental option to landfilling continue to put county investments in jeopardy. Communities that have invested in these facilities did so at great cost because the science and state statute directed them to resource recovery for improved environmental outcomes. Counties are also required to work on landfill diversion. In addition, a recent proposal from the MPCA would divert some local waste revenues to new state programming. In a nonbudget year, investing AMC energy in the protection of county investments, local authority, and budgeting is worthwhile.

## **General Government: PILT Sustainability**

*AMC supports strengthening Payment in Lieu of Taxes (PILT) funding programs to address regional inequalities and guarantee full property tax loss replacement.*

**Background:** PILT is a vital resource for counties with large amounts of state/federally owned land. While a certain subset of PILT payments have received increases in funding, two important PILT categories (DNR-administered and county-administered) have remained stagnant, not keeping up with inflation or properly reimbursing local governments for lost tax base. In addition, a recently mandated re-assessment of acquired acres land values has caused dramatic swings in PILT appropriations. Counties are asking for both increased and consistent funding to ensure that payments adequately compensate local communities for land displacement.

**Staff Analysis:** Many counties with high levels of state and federal land ownership rely on PILT as a main revenue source to supplement service. Additional land stewardship efforts targeting rural, agricultural counties have increased the number of counties impacted by PILT funding lapses or instances where funding fails to keep pace with inflation. In addition, a recent reassessment in PILT land values created wild fluctuations in assessed property values which in turn dramatically reduced certain counties' PILT amounts. Members of the General Government committee spoke at lengths about these issues and the need to find more sustainable and reliable PILT funding mechanisms that don't create such extreme sets of winners and losers. The increasing diversity of counties impacted by PILT in addition to this issue having strong county leads (St. Louis County) with specific policy suggestions that may not cost much makes this issue ripe for legislative action.

## **Health and Human Services: Support State Implementation Efforts of Family First Prevention Service Act to Avoid Cost Shifts to Counties**

*AMC supports a state implementation of Family First Prevention Service Act (FFPSA) that meets the core tenets of the federal statute and ensures equitable access to services state-wide, while also being financially sustainable to counties and avoiding unfunded mandates and cost shifts to counties.*

**Background:** Federal and state implementation requirements for the Family First Prevention Services Act (FFPSA) became effective October 1, 2021. FFPSA seeks to transform state and local child welfare systems by providing substance abuse, mental health, and other prevention and treatment services to prevent children's entry into foster care, while also seeking to reduce states' reliance on group and residential treatment homes and instead prioritize family-based care. To meet FFPSA's goals of going upstream and stemming the costs of out of home placements in our state, Minnesota needs robust prevention services developed statewide that meet the needs of our communities and Title IV-E funding criteria. Specifically, the state must develop the necessary statewide infrastructure and determine a sustainable funding source for the new "Qualified Individual" (QI) position, required to evaluate appropriateness of placements and for a placement to qualify for Title IV-E federal dollars, while also developing a statewide program to implement kinship practices with equitable access in all counties. Further action is also needed to catalyze out of home placement facilities to become Qualified Residential Treatment Programs (QRTPs), the accreditation standard needed for counties to access Title IV-E funds for placements. Failure to do so will result in inequities regarding access to services across the state and result in a cost shift to counties.

**Staff Analysis:** This issue is timely, with implementation of new FFPSA requirements beginning this fall. The implementation challenges of this federal law in Minnesota will result in lost federal dollars and ballooning county levy costs for out of home placements. Minnesota is late in building the necessary infrastructure, so we risk missing out on the federal prevention dollars available which could help mitigate continued growth in out of home placements. Lessons can be learned from states across the country who are also implementing this law. Our child protection system is complicated, and it will take significant effort to educate legislators on this issue. Thus, it is urgent we start now to draw attention to the shortcomings of the state implementation. This topic is likely to be a top priority for AMC affiliate MACSSA and a focus of the new HHS Child Wellbeing Policy Analyst.





## MRC DRAFT 2022 Priority Worksheet

**Transportation Funding:** MRC supports adequate funding to address the historic and on-going critical road and bridge funding needs deficit.

**County Based Purchasing:** *MRC supports CBP and urges legislative leaders to do no harm to this critically important and successful health care delivery model.*

**Rural Broadband Funding:** *MRC supports the MN Rural Broadband Coalition and the Governor's Broadband Task Force recommendation for \$120 million per biennium in base funding for the Border-to-Border Broadband Grant Program, in order to continue the build-out of broadband infrastructure in Minnesota and help meet the state's broadband speed goals by 2026.*

**\*Recommend: Amend to 2022 Broadband Task Force Message**

**Emergency Readiness Grants:** *MRC supports a \$3M increase in the base appropriation from the general fund to HSEM for grants awarded in equal amounts to emergency management departments in the 87 counties, 11 federally recognized tribes, and four cities of the first class, for planning and preparedness activities including capital purchases.*

**Energy for Greater Minnesota Manufacturing and Residential Needs:** *MRC supports an energy plan going forward that recognizes reliability, affordability and flexibility are the three most important components to any new plan, and that any new plan must address critical transmission bottlenecks.*

### **Greater Minnesota Community Hospitals:**

MRC supports rural hospitals in the following meaningful ways:

- MRC supports addressing critical delays in authorizing claims and arbitrary claim denials by MN based health plans;
- MRC supports new investments addressing critical mental health needs;
- MRC opposes mandated nurse to patient staffing ratios;
- MRC opposes elimination of new physician non-compete contracts that are essential to rural physician recruitment.

**Preserving Tax Base:** *MRC supports policy that preserves county tax base.*

### **DNR Regulatory Authority over Public Drainage Maintenance and Repair:**

*MRC supports legislation to clarify and reinforce county drainage authority under existing laws.*

### **Introduced at October 18 meeting**

Support Higher Bar on Executive Powers for Calling Special Sessions - Hubbard  
Support Need for State Support to Retain County Mental Health Workers - Cottonwood  
Support Greater Funding for Indian Child Welfare Act – Mille Lacs  
Support Funding to Replace Antiquated State HHS Computer System – Pipestone  
Support Increased Funding for Payment-in-lieu-of Taxes – Aitkin  
Support Community Mental Health Services – Cottonwood

### **Introduced since October 18 meeting**

Support a resolution opposing state or federally-imposed health mandates