



# Dakota County

## Community Services Committee of the Whole Agenda

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Tuesday, January 13, 2026

1:00 PM

Conference Room 3A, Administration  
Center, Hastings

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If you wish to speak to an agenda item or an item not on the agenda, please notify the Clerk to the Board via email at [CountyAdmin@co.dakota.mn.us](mailto:CountyAdmin@co.dakota.mn.us)  
Commissioners may participate in the meeting by interactive technology.

### 1. Call to Order and Roll Call

Note: Any action taken by this Committee of the Whole constitutes a recommendation to the County Board.

### 2. Audience

Anyone in the audience wishing to address the Committee on an item not on the Agenda or an item on the Consent Agenda may send comments to [CountyAdmin@co.dakota.mn.us](mailto:CountyAdmin@co.dakota.mn.us) and instructions will be given to participate during the meeting. Verbal comments are limited to five minutes.

### 3. Approval of Agenda (Additions/Corrections/Deletions)

#### 3.1 Approval of Agenda (Additions/Corrections/Deletions)

### 4. Consent Agenda

#### 4.1 Approval of Minutes of Meeting Held on December 2, 2025

### 5. Regular Agenda

#### 5.1 *Social Services-Housing & Community Resources* - Housing Services Update

#### 5.2 *Employment and Economic Assistance* - Update To Make Sense Of Fraud Scandals: County Responsibility, Programs, And Impacts

### 6. Community Services Director's Report

### 7. Future Agenda Items

### 8. Adjournment

#### 8.1 Adjournment

For more information please call 651-554-5742.

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<https://www.co.dakota.mn.us/Government/BoardMeetings/Pages/default.aspx>

Public Comment can be sent to [CountyAdmin@co.dakota.mn.us](mailto:CountyAdmin@co.dakota.mn.us)



# Community Services Committee of the Whole

## Request for Board Action

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**Item Number:** DC-5151

**Agenda #:** 3.1

**Meeting Date:** 1/13/2026

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Approval of Agenda (Additions/Corrections/Deletions)



# Community Services Committee of the Whole

## Request for Board Action

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**Item Number:** DC-5153

**Agenda #:** 4.1

**Meeting Date:** 1/13/2026

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Approval of Minutes of Meeting Held on December 2, 2025



# **Dakota County**

## **Community Services Committee of the Whole**

### **Minutes**

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**Tuesday, December 2, 2025**

**1:30 PM**

**Conference Room 3A, Administration  
Center, Hastings**

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**(or following Physical Development Committee)**

#### **Special Meeting**

##### **1. Call to Order and Roll Call**

**Present:** Commissioner Slavik, Commissioner Atkins, Chairperson Halverson, Commissioner Droste, Commissioner Workman and Commissioner Hamann-Roland

**Absent:** Commissioner Holberg

Also in attendance were Heidi Welsch, County Manager; Lucie O'Neill, Assistant County Attorney; Marti Fischbach, Community Services Division Director; and Colleen Collette, Administrative Coordinator.

The meeting was called to order at 2:12 p.m. by the Chair, Commissioner Laurie Halverson. Commissioner Atkins joined the meeting at 2:18 p.m. and Commissioner Slavik joined at 2:24.

The audio of this meeting is available upon request.

##### **2. Audience**

Chair, Commissioner Laurie Halverson, asked if there was anyone in the audience who wished to address the Community Services Committee on an item not on the agenda or an item on the consent agenda. No one came forward and no comments were submitted to CountyAdmin@co.dakota.mn.us.

##### **3. Approval of Agenda (Additions/Corrections/Deletions)**

###### **3.1 Approval of Agenda (Additions/Corrections/Deletions)**

On a motion by Commissioner Hamann-Roland, seconded by Commissioner Droste, the agenda was unanimously approved. The motion carried unanimously.

##### **4. Consent Agenda**

On a motion by Commissioner Hamann-Roland, seconded by Commissioner Workman, the consent agenda was unanimously approved as follows:

**4.1** Approval of Minutes of Meeting Held on November 6, 2025

**5. Regular Agenda**

**5.1** Environmental Health Update

From Public Health, Gina Pistulka, Director, Liz Robertson, Environmental Health Supervisor, and Katrina DeVore, Environmental Health Program Coordinator, presented on this item and stood for questions. This item was on the agenda for informational purposes; no staff direction was given. Information only; no action requested.

**5.2** Emergency Assistance Programs Update

Tiffinie Miller-Sammons, Employment & Economic Assistance Deputy Director, and Madeline Kastler, Social Services Deputy Director, presented on this item and stood for questions. This item was on the agenda for informational purposes; no staff direction was given. Information only; no action requested.

**6. Adjournment**

**6.1** Adjournment

On a motion by Commissioner Mary Hamann-Roland, seconded by Commissioner Mike Slavik, the meeting was unanimously adjourned at 3:53 p.m.

Respectfully submitted,

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Colleen Collette, Administrative Coordinator  
Community Services Division



# Community Services Committee of the Whole

## Request for Board Action

Item Number: DC-5184

Agenda #: 5.1

Meeting Date: 1/13/2026

**DEPARTMENT:** Social Services-Housing & Community Resources

**FILE TYPE:** Regular Information

### TITLE

**Housing Services Update**

### PURPOSE/ACTION REQUESTED

Receive an update on emerging issues impacting housing services work.

### SUMMARY

In 2021, the Dakota County Board of Commissioners convened the Housing Leadership Workgroup to assess outcomes of the County's Housing Business Plan and make recommendations for future housing initiatives and investments.

The workgroup was made up of faith leaders, law enforcement representatives, people who have experienced homelessness, nonprofit partners, Dakota County Commissioners, and staff from the Dakota County Community Development Agency (CDA) and the County. The workgroup recommended investments in three main areas of the Dakota County Housing Business Plan: emergency shelter, homelessness prevention, and affordable housing.

Since 2021, the County has made investments in the housing services continuum using funding sources of levy, Affordable Housing Aid (AHA), and state and federal grants. Housing services are delivered by County staff and contracted service providers.

Staff will provide an update on emerging issues impacting the Housing Business Plan in 2026.

### OUTCOMES

See Attachment: Housing Outcomes.

### RECOMMENDATION

Information only; no action requested.

### EXPLANATION OF FISCAL/FTE IMPACTS

- |  |   |   |
|--|---|---|
| <input checked="" type="checkbox"/> None     | <input type="checkbox"/> Current budget | <input type="checkbox"/> Other                |
| <input type="checkbox"/> Amendment Requested |   | <input type="checkbox"/> New FTE(s) requested |

### RESOLUTION

Information only; no action requested.

## PREVIOUS BOARD ACTION

None.

## ATTACHMENTS

Attachment: Housing Outcomes

Attachment: Presentation Slides

## BOARD GOALS

- ☒ Thriving People      ☐ A Healthy Environment with Quality Natural Resources  
☐ A Successful Place for Business and Jobs      ☐ Excellence in Public Service

## CONTACTS

Department Head: Emily Schug

Author: Madeline Kastler



## Housing Services

### Program and Service Inventory - 2024

#### Prevention Services

**Prevention Services keep Dakota County residents experiencing housing instability in their homes.**

##### *Prevention Support Services*

- How Much: 728 of households received Prevention Support services
- How Well: 46% BIPOC households received Prevention Support services
- Better Off: 93% households maintained housing

Narrative: This service provides flexible services to tenants experiencing housing instability. Programs include: Apartment Services (all-ages and seniors) and Prevention Services and Navigation.

##### *Housing Clinic Services*

- How Much: 940 of households received Housing Clinic services
- How Well: 64% BIPOC households received Housing Clinic services
- Better Off: 82% households maintained housing

Narrative: This service provides court navigation, legal services, and follow-up case management to tenants in eviction court.

##### *Emergency Rental Assistance*

- How Much: 858 of households received Emergency Rental Assistance services
- How Well: 66% of BIPOC households received Emergency Rental Assistance services
- Better Off: 100% households maintained housing

Narrative: This service provides emergency rental assistance and follow-up case management to tenants experiencing a housing crisis. Programs include: Affordable Housing Aid Emergency Rental Assistance (AHA ERA) and FHPAP.

## **Shelter Services**

**Shelter Services provide emergency shelter for Dakota County residents experiencing homelessness.**

### *Shelter Diversion*

- How Much: 267 of households experiencing homelessness received Shelter Diversion services
- How Well: 58% BIPOC households received Shelter Diversion services
- Better Off: 35% households obtained Housing during Shelter Diversion services

Narrative: This service provides alternatives to shelter whenever possible, reducing the need for shelter placement. National research shows success rates range from 17-36% for shelter diversion programs.

### *Shelter Services*

- How Much: 269 of households experiencing homelessness received Shelter services
- How Well: 50% of BIPOC households received Shelter services
- Better Off: 52% households obtained Housing from Shelter services

Narrative: This service provides shelter to single adults, young adults, and families with minor children.

## **Housing Stability Services**

**Housing Stability Services provide case management and rental assistance to Dakota County residents exiting homelessness to stable housing.**

### *Housing Assistance Programs*

- How Much: 104 of households received Housing Stability services in housing assistance programs (rental assistance and case management)
- How Well: 78% BIPOC households received Housing Stability services in housing assistance programs
- Better Off: 84% households maintained stable housing at program exit

Narrative: This service provides rental assistance for 2-5 years and case management to households exiting homelessness. Programs include the HUD Rapid Re-Housing Program and the Family Voucher Program.

### *Permanent Supportive Housing*

- How Much: 94 of households received Housing Stability services in Permanent Supportive Housing
- How Well: 60% BIPOC households received Housing Stability services in Permanent Supportive Housing
- Better Off: 96% households maintained stable housing in Permanent Supportive Housing or were housed at program exit

Narrative: This service provides permanent supportive housing for Dakota County residents exiting homelessness. Programs include: Cahill Place (families), Haralson Apartments (single adults), and Lincoln Place (young adults).



## Housing Services Update

January 13, 2026

Madeline Kastler, Deputy Director, Social Services

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## Agenda



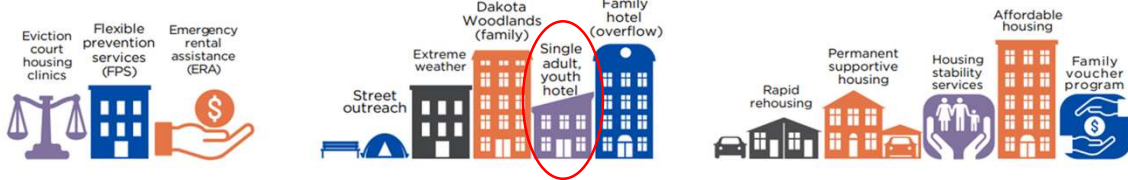
- ❖ Hotel Shelter 2026
- ❖ Federal Funding Uncertainty

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# Dakota County Housing Plan



## Prevention ← Emergency shelter → Housing stability



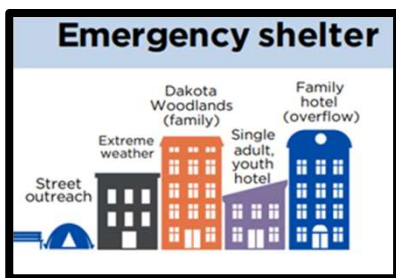
- Emergency Rental Assistance
- Prevention Services
- Housing Clinic at Eviction Court
- On-site Apartment Services

- **Hotel emergency housing/shelter operation**
- Shelter diversion
- Outreach to homeless populations

- **Rental assistance**
- Permanent Supportive Housing Services
- Access to affordable units
- New affordable housing
- Preserved affordable housing
- Home improvement loans
- Home ownership

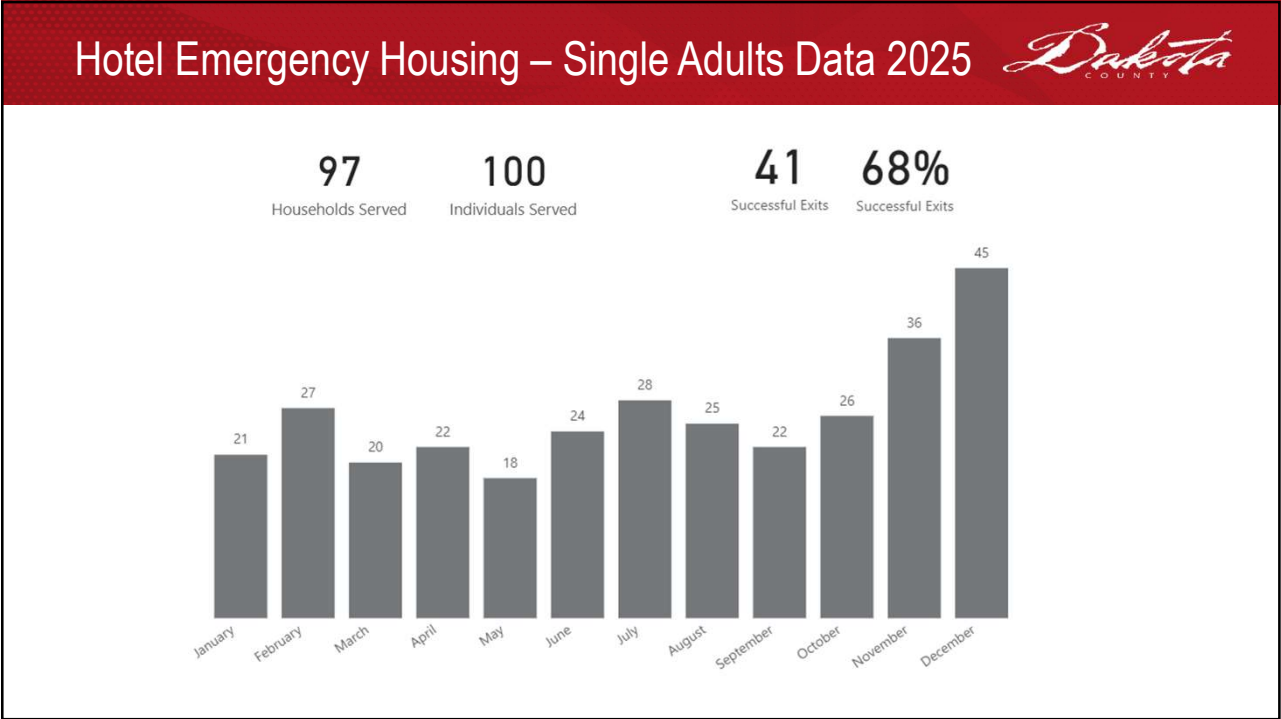
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# Hotel Emergency Housing – Single Adults

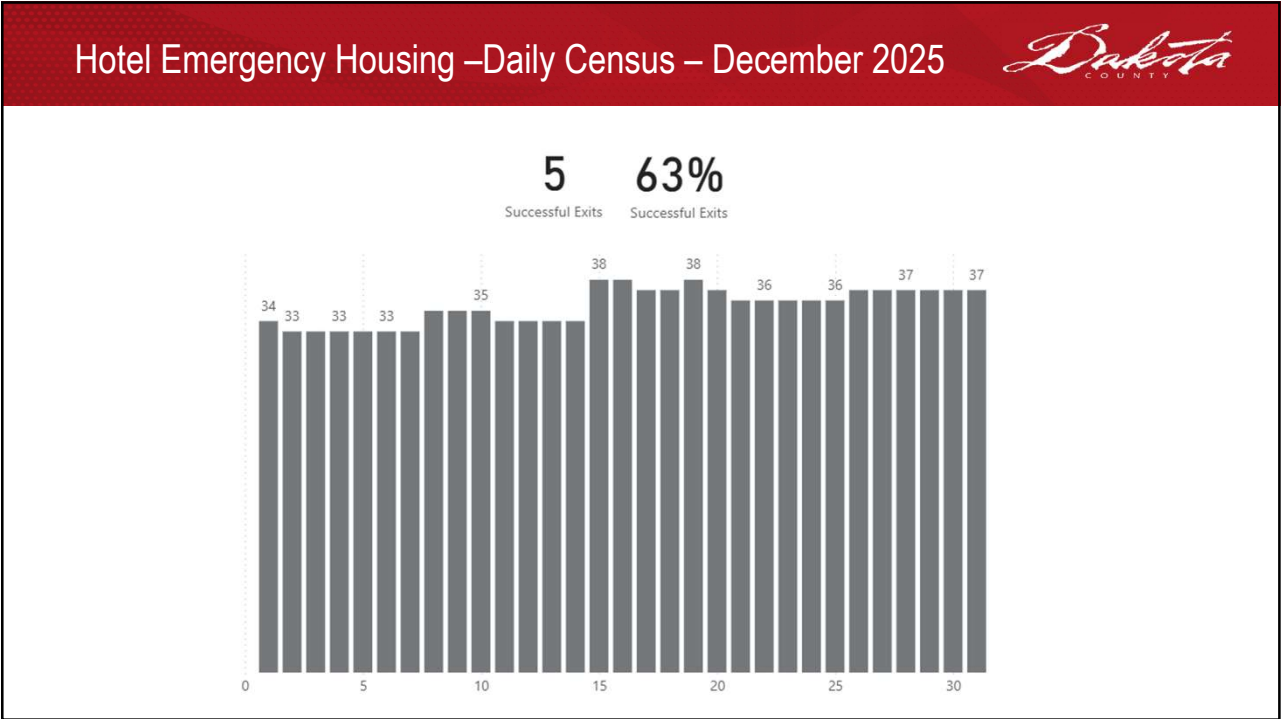


- Eagan hotel will no longer be an option in early spring 2026
- Staff reviewing alternatives to current location. Options include:
  - One hotel partner in one location
  - Several hotel partners throughout county

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## Hotel Emergency Housing Next Steps



Primary hotel relationship plus 1-2 additional hotel locations

- Contracts with a limited number of partners
- Office space and storage at main site, with smaller footprint at satellites
- Limits concentration in one area
- Allows people to be served near supports and services
- Less disruption if capacity changes at one site

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## Hotel Emergency Housing Next Steps (Cont.)



- Social Services, Contracts-Finance, and Physical Development collaborate to identify new hotel sites and contracting options
- Prepare for transition of clients to new site/s
- Build relationships with new site management and community partners
- Case management and housing search services for clients continue, as usual (services follow the person)
- Monthly updates to Board on progress

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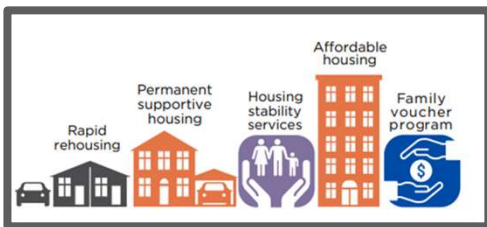
## Hotel Emergency Housing Model – Continued Risks



- Lack of site control
- Limited site security
- Hotel staff operate site vs trained social services staff
- Likelihood of displacement remains high
- Does not allow the county to provide the highest quality shelter service
- Movement by other metro counties to fixed site models for emergency housing services

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## Housing and Urban Development Grant



- Grant of \$831,851 from June 1, 2025-May 31, 2026
- Rapid-Rehousing (RRH)
  - 24 months of rental assistance + case management
- Serves up to 48 households per month
  - Currently keeping census lower due to grant uncertainty

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## Housing and Urban Development Grant



- New Notice of Funding Opportunity (NOFO) **limits Permanent Housing to 30% of currently funded grants.**
  - Rapid Re-Housing (RRH) is considered Permanent Housing
  - Dakota County will sunset the RRH program and apply for a Transitional Housing Program
    - Transition Housing =
      - 24 months of rental assistance + case management + 40 hours per week of supportive services per client (work, employment search, treatment and recovery services, etc)
      - Current RRH clients cannot transition into new Transitional Housing program

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## Housing and Urban Development Grant



### Current Impacts

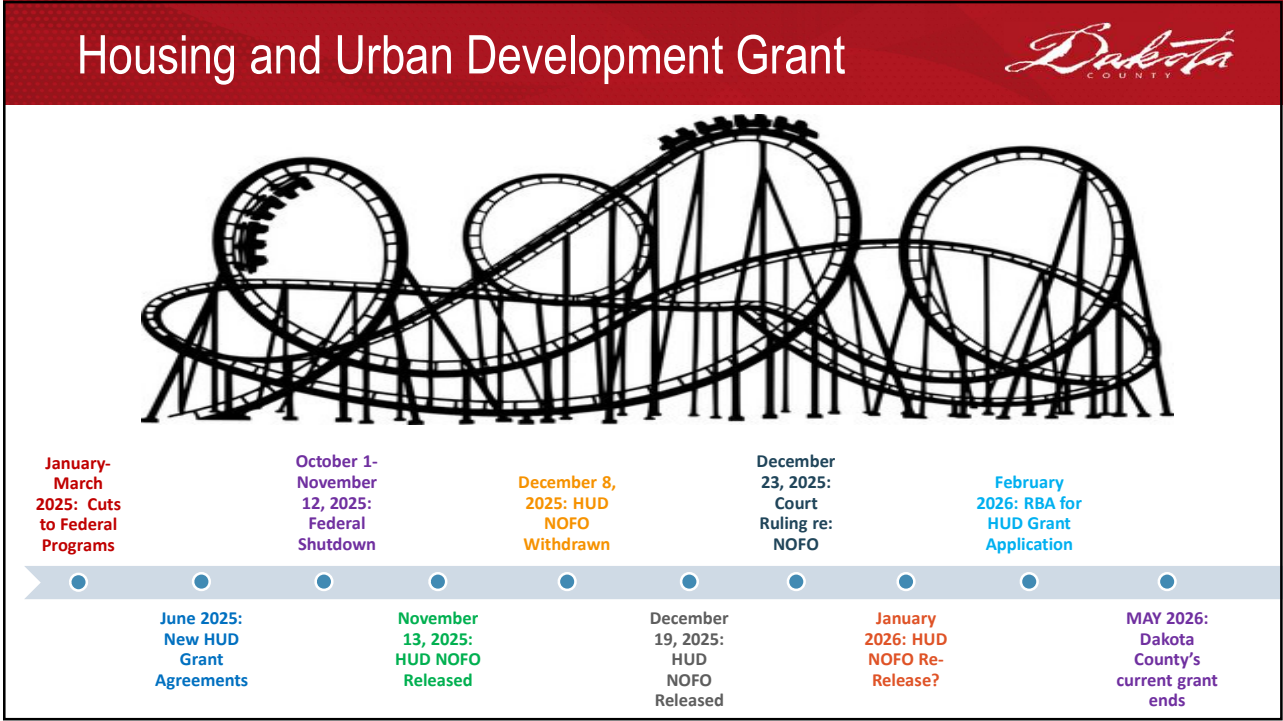
- Lower number of families served due to grant uncertainty – not entering new families into program
- Lower grant spending

### Future Impacts


- Need to transition current clients to another program (no current options) or request spending extension on current grant to continue serving current clients
- Award uncertainty – Dakota County may/may not have a housing program for families exiting homelessness in June 2026

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# THANK YOU

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# Community Services Committee of the Whole

## Request for Board Action

Item Number: DC-5251

Agenda #: 5.2

Meeting Date: 1/13/2026

**DEPARTMENT:** Employment and Economic Assistance

**FILE TYPE:** Regular Information

### TITLE

**Update To Make Sense Of Fraud Scandals: County Responsibility, Programs, And Impacts**

### PURPOSE/ACTION REQUESTED

Receive information about services impacted by fraud-related concerns, the county's role in fraud investigation, and community impacts.

### SUMMARY

Human services program fraud has been in the news a lot lately and there have been related state and federal actions that impact county residents, providers, and staff. This presentation provides information on what is happening, timelines of state and federal actions, the county's role in fraud prevention and investigation, and impact on our community.

### RECOMMENDATION

Information only; no action requested.

### EXPLANATION OF FISCAL/FTE IMPACTS

- |  |   |                                |
|--|---|--------------------------------|
| <input checked="" type="checkbox"/> None     | <input type="checkbox"/> Current budget       | <input type="checkbox"/> Other |
| <input type="checkbox"/> Amendment Requested | <input type="checkbox"/> New FTE(s) requested |                                |

### RESOLUTION

Information only; no action requested.

### PREVIOUS BOARD ACTION

None.

### ATTACHMENTS

Attachment: Presentation Slides

### BOARD GOALS

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Thriving People               | <input type="checkbox"/> A Healthy Environment with Quality Natural Resources |
| <input type="checkbox"/> A Successful Place for Business and Jobs | <input checked="" type="checkbox"/> Excellence in Public Service              |

### CONTACTS

Author & Department Head: Dana DeMaster



# Making Sense of Fraud Scandals: County Responsibility, Programs, and Impacts

Dakota County Board  
Community Services Committee  
January 13, 2026

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## Meeting Goals



### Shared understanding of:

- Funding sources
- Services impacted by fraud-related concerns
- County's role in fraud investigation
- Impacts on clients, providers, and the community

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## Headlines



### ✦ The Minnesota Star Tribune

Audit finds widespread problems in DHS oversight of behavioral health grants

Disability services providers accuse state of leaving clients vulnerable amid fraud crackdown

Trump administration says it's withholding social safety net money from 5 states over fraud concerns

### TwinCities.com PIONEER PRESS

Crackdown on social service providers leaves some without housing assistance



Jury convicts five of seven defendants in the Feeding Our Future trial

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## Making Sense of the Headlines



### Feeding Our Future

- Pandemic-era relief program
- No county involvement or responsibility
- **Counties had no role in this program and no role in fraud prevention or investigation**

### Medical Assistance-Funded Programs

- Services under Minnesota's approved Medicaid-Medical Assistance (MA) plan
- County role in MA eligibility determination;
- Case management and service authorization for Home and Community Based Services (HCBS)
- Providers enroll with the State; State payments and oversight
- **Counties have a limited role in identifying and reporting suspicious activities.**

### Child Care Assistance Program

- Existing program with fraud concerns raised in social media
- County role in eligibility determination, service authorization, and billing
- County has shared role with state in program integrity
- **Counties have an active role in fraud investigation and identification and defined roles with state fraud investigation.**

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## Medical Assistance Programs



Medical Assistance (MA) is Minnesota's largest health care program and serves children and families, pregnant women, adults without children, seniors and people who are blind or have a disability. (State/federal funds)

People receiving MA are either enrolled in Managed Care Organizations (MCOs) or Fee for Service (FFS) MA. The county determines MA eligibility, but payments for covered **state plan services** to providers are through the state or health plans. (State/federal funds)

MA Home and Community Based (**HCBS**) **waiver services** are for people with MA, with a disability, who have long-term care needs that can be met in the community. (State/federal funds)

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## Home and Community Based Waiver Services Roles and Responsibilities



### County

- MnCHOICES assessment to identify service needs
- Enter service authorizations in Medicaid Management Information System (MMIS)
- Ongoing case management (County and contracted): service plan, refer, link, coordinate, and monitor via connection with person served – at least annual visits
- Review and approval of Community First Services and Support (CFSS) plans

### Providers

- Provide services, according to Department of Human Services (DHS) rules and regulations
- Bill MMIS against service authorizations

### State

- Payment/reimbursement for services, including payment review
- Enrollment of Medical Assistance and HCBS providers
- Provider licensing
- Provider level quality assurance
- Maltreatment and licensing investigations
- Fraud investigations

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## Timeline



### **January 3, 2025**

Governor's executive action creates a centralized state fraud investigation unit

### **July 1, 2025**

New anti-fraud laws take effect

### **October 31, 2025**

Department of Human Services (DHS) ends Housing Stabilization Services (HSS) program.

### **December 2025**

Third party pre-payment review for certain "high risk" services and payment withholds when credible reports of fraud

Governor Walz appoints the first Director of Program Integrity in state government

DHS pauses new licenses for adult day care centers

### **January 1, 2026**

Moratorium on new HCBS enrolled providers, exception request process initiated by counties. Dakota County developing process for exceptions, expect few exception requests.

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## Medical Assistance Services Pre-payment Review



### **State Plan, Non-Waiver Services:**

- Adult Rehabilitative Mental Health Services (ARMHS)
- Assertive Community Treatment (ACT)
- Community First Services and Support (CFSS)\* (1,200 Dakota County (DC) clients; 58 enrolled providers in DC)
- Early Intensive Developmental and Behavioral Intervention (EIDBI) – *Autism Programs*
- Intensive Residential Treatment Services (IRTS)
- Non-emergency transportation services
- Recovery Peer Support
- Recuperative Care

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## Medical Assistance Services Pre-payment Review



### HCBS Wavier Services:

- Adult Companion Services (1 DC client)
- Adult Day Services (32 DC clients; 15 enrolled providers in DC)
- Community First Services and Supports\* (500 DC clients; 58 enrolled providers in DC)
- Individualized Home Supports (2,530 DC clients; 26 enrolled providers in DC)
- Integrated Community Supports (190 DC clients; 25 enrolled providers in DC)
- Night Supervision Services (223 DC clients)

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## Medical Assistance Services Payment Withholds



112

Number of Dakota  
County Clients  
Impacted

15

Number of Providers  
in Dakota County

Services Subject to Withholds:  
Integrated Community Support (ICS)  
Night Supervision  
Homemaking    Chore Services  
Respite Care  
Individualized Home Supports  
Customized Living  
Transition Services  
Others

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## Impacts



### Clients

- Limited provider options create health and well-being risks
- Increased stigma for people who access services
- Housing instability

### Providers

- Concerns for all providers of being lumped together as "fraudsters"
- Cash flow issues (due to pre-payment review and withholds) impact some providers' operations

### County

- Direct contact with those receiving services
- Connecting people with services, with increasingly limited provider options
- Stress associated with public perception of social services programs
- Reporting fraud, waste and abuse

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## Department of Human Services Guidance to Counties



DHS is creating a plan on how to handle provider closures.



Faster, easier connections to existing resources within DHS



Working with DHS partners around other existing resources



Identifying new resources

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## Child Care Assistance Program



The Child Care Assistance Program (CCAP) helps parents, stepparents, legal guardians, and other caregivers pay for childcare.

Families receiving the Minnesota Family Investment Program (MFIP) receive federally-funded childcare assistance that covers their total childcare costs up to \$512 a week at a center or \$250 a week at a licensed home provider, depending on the age of the child. Parent Aware rated providers are eligible for a higher rate. Families not on MFIP receive Basic Sliding Fee childcare that is state-funded and the program is a sliding fee with a co-pay based on the family's income.

Families can receive CCAP if they receive MFIP or have received it in the last 12 month, or their income is at or below 47% of the State Median Income. For a family of four the limit is \$67,679.

In December 2025, 1,184 families with 2,677 children were receiving CCAP in Dakota County.

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## Roles and Responsibilities



### County

- Determine family eligibility for services and verify ongoing eligibility
- Process provider invoices and ensure they match family verifications
- Report suspected fraud to county fraud team
- Licensing of family home licensed providers
- Fraud team investigates suspected fraud

### Providers

- Provide childcare
- Track attendance and submit accurate invoices

### State

- Provider registration
- Licensing of childcare centers
- Investigates suspected fraud that cross more than one county

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## Timeline



### March 2019

Legislative Auditor report that identifies Child Care Assistance Program fraud and confirms that money is not being sent to terrorists.  
Greater program integrity controls put in place.

### December 26, 2025

YouTube video posted alleging fraud in Somali owned childcare centers.  
State investigates and found no fraud at the specific childcare center.

### December 30, 2025

Trump Administration announces freeze in federal childcare funds to Minnesota. State required to submit all documentation about specific centers and data on all CCAP participants statewide.

### January 2026

Department of Children, Youth, and Families and the Bureau of Investigation partner on ongoing compliance and fraud investigation.

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## Impacts



### Clients

- Fear of losing childcare
- Increased stigma of using subsidized care
- Confusion

### Providers

- Break-ins and threats from community vigilantes
- Fear of losing income

### County

- Helping clients and providers with concerns
- Fraud accusations from public

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## Department of Children, Youth, and Families Guidance to Counties



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The Child Care Assistance Program is continuing to operate as usual. Providers should continue following all CCAP, licensing and certification requirements and practices, including billing, as usual.

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State-funded programs, including the Great Start Compensation Support Payment Program and Early Learning Scholarships, are not affected by the availability of federal funding.

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State funds are sufficient to support CCAP services for several months while Department of Children, Youth, and Families (DCYF) works to respond to federal requests.

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The DCYF is partnering with the Bureau of Criminal Apprehension (BCA) to conduct compliance checks.

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## State Guidance to Counties



The counties are a critical partner in ensuring the integrity of services.

Direct and ongoing contact with Minnesotans receiving services

Fraud indicators from individuals

Providing and connecting Minnesotans to services and resources

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## County Next Steps



### Program Integrity

- Continue CCAP program integrity and fraud investigation
- Continue to partner with the state Office of the Inspector General
- Continue to report suspected fraud, waste, and abuse

### Communications

- Develop and execute communications plan to decrease community confusion and ensure a consistent response

### Service

- Monitor impacts on clients and service providers
- Continue to process applications, assess eligibility, provide case management
- Fulfill lead agency roles with continued focus on program integrity, including through annual fiscal audit

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## Non-Profit Expenditures



Dakota County Payments to Not-for-profit (NFP) organizations		
	2024	2025 (thru November)
Programs and Services	\$13,756,445	\$ 11,975,337
Operations	\$838,403	\$915,654
Total Paid to NFP agencies	\$ 14,594,848	\$12,890,992
Total County Adopted Budget	\$514,312,887	\$523,148,132
% of total budget	2.8%	2.5%

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## Non-Profit Expenditures



Payments for Programs and Services by Dakota County to NFP by Program Area			
Program Area	2024	2025 (thru November)	% of all payments
Human Services	\$ 13,355,249	\$ 11,528,366	96.70%
Library	\$ 8,758	\$ 8,589	0.07%
Environmental Resources	\$ 52,680	\$ 65,403	0.46%
Parks	\$ 267,666	\$ 199,135	1.81%
Public Health	\$ 34,132	\$ 16,246	0.20%
Transportation Right of Way (ROW) Payment	\$ -	\$ 131,950	0.51%
Veterans Services	\$ 4,900	\$ 3,800	0.03%
Other	\$ 33,060	\$ 21,849	0.21%
<b>Total</b>	<b>\$ 13,756,445</b>	<b>\$ 11,975,337</b>	<b>100.0%</b>

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## Questions/Discussion

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# Community Services Committee of the Whole

## Request for Board Action

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**Item Number:** DC-5152

**Agenda #:** 8.1

**Meeting Date:** 1/13/2026

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Adjournment