



2025 Budget Recommendations: UPDATE

November 12, 2024

Heidi Welsch, County Manager

1. Long-term structural issues in the budget.
2. Current operational issues not addressed:
 1. MnChoices assessment wait time.
 2. Medical Assistance eligibility wait time.

We have some financial 'potholes' that cannot be ignored.

Dakota
COUNTY



1. Short term funding for permanent positions.

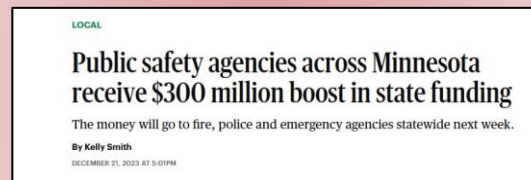
1



2



3



2. “Overfill” positions

- Use of over-complement function for permanent FTEs.



Short-term or overfill funded positions.



23 FTE (Financial Workers)

+17 FTE (Social Workers)

+ 2 FTE (Attorneys)

= 42 FTE without long term funding

3. Over reliance on CPA

Tim Pugmire · St. Paul, Minn. · December 19, 2008 2:00 PM

Pawlenty announces short-term budget cuts



MINNESOTA SENATE
OFFICE OF COUNSEL, RESEARCH, AND FISCAL ANALYSIS

FISCAL ISSUE BRIEF

Governor's Unallotments FY 2008-2009 General Fund Budget

January 2009

QUESTIONS

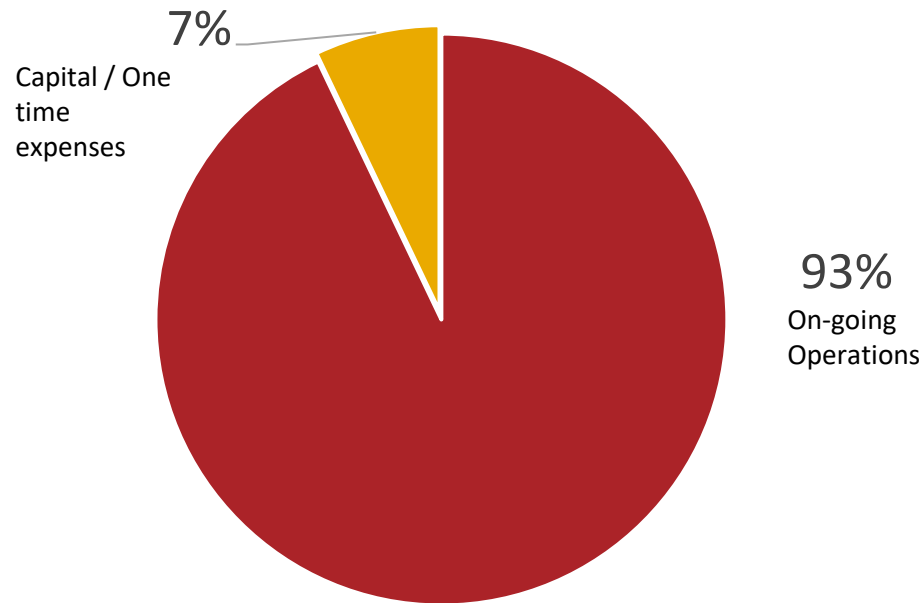
Contact Matt Massman, Lead Fiscal Analyst, at 651/297-8057 or matt.massman@senate.mn or the relevant fiscal analyst identified below.

Table 1 Governor's Unallotment Plan, FY 2008-2009 (\$'s in Thousands)		
Projected Deficit		\$426,297
Use of the Reserve		(\$154,922)
Remaining Deficit		\$271,375
Unallotments		
Reduce Aid to Cities (LGA and Market Value Credit)		66,009
Reduce Aid to Counties		44,006
Reduce Human Service Payments		72,757
Reduce Higher Education Funding		40,000
Reduce State Agency Operations & Programs*		40,203
Minnesota Housing Fund Reduction		4,000
Reduce 21 st Century Minerals Fund Balance		1,500
Reduce Minnesota Investment Fund		700
Voluntary Legislative Budget Reductions		2,200
Total Unallotments		\$271,375
Revised Projected Budget Balance		- 0 -

Nearly all CPA used for operations.



Dakota County 2025 County Program Aid (CPA) By Planned Expense Type 2025



4. Low reserves level.



REBECCA OTTO
STATE AUDITOR

STATE OF MINNESOTA
OFFICE OF THE STATE AUDITOR

SUITE 500
525 PARK STREET
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)
(651) 296-4755 (Fax)
state.auditor@state.mn.us (E-mail)
1-800-627-3529 (Relay Service)

September 2007

Article for *Minnesota Counties*

Appropriate Fund Balance Levels

The Office of the State Auditor recommends that at year-end local governments maintain an unreserved fund balance in their general fund and special revenue funds of approximately 35 to 50 percent of fund operating revenues or no less than five months of operating expenditures, which should provide the local government with adequate funds until the next property tax revenue collection cycle. The adequacy of unreserved fund balance should be assessed based on an individual local government's own circumstances. If the local government's unreserved fund balance is less than or greater than the 35 to 50 percent recommended above the local government should be able to explain the reason for the difference.

Solutions— 2025 Budget

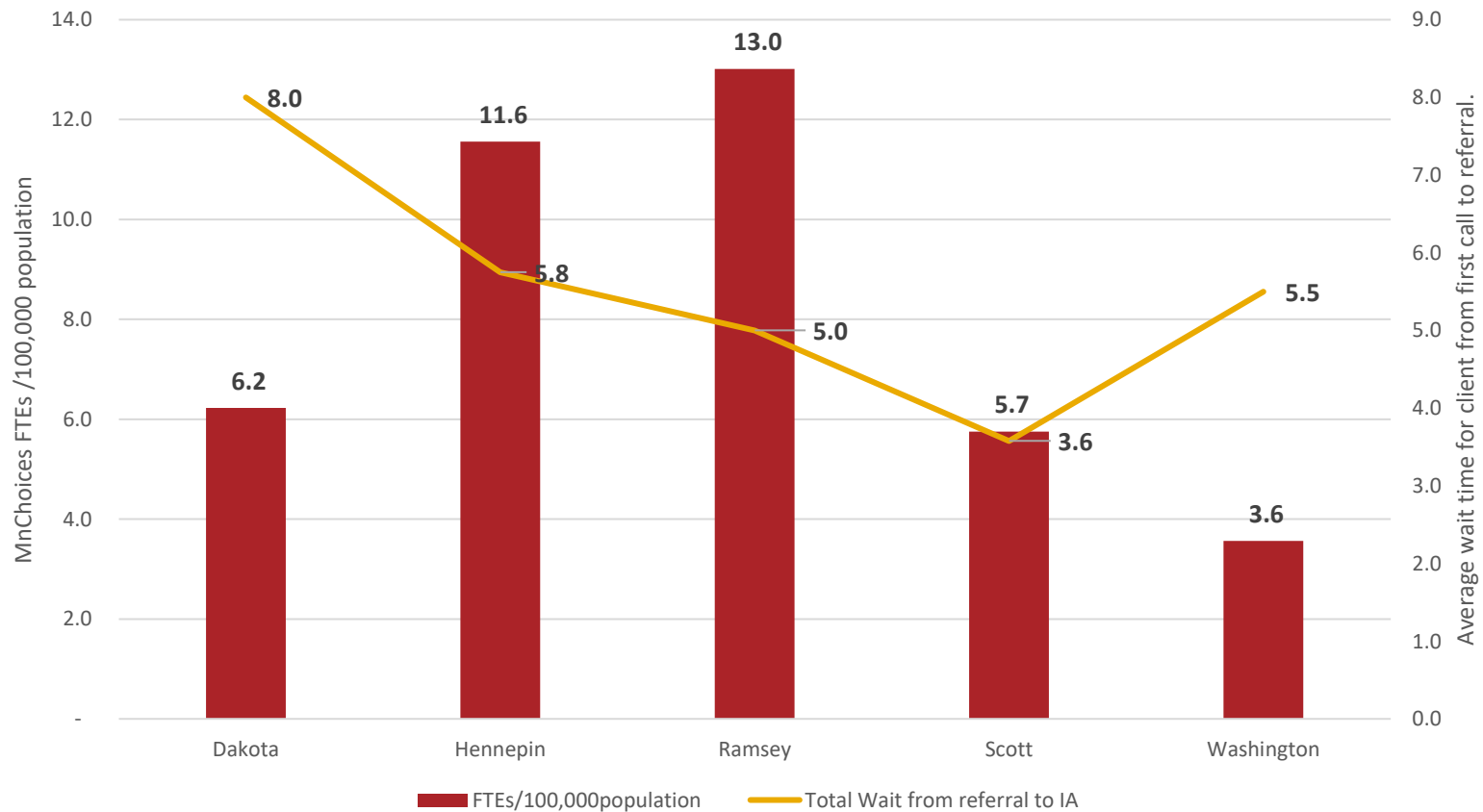


- Reduced: positions funded with short term sources.
 - Eliminated some levy funded positions.
 - Repurpose some positions.
 - Hold some unfilled positions open.
 - Increased projections of interest funds.
 - Use of internal funds.
- Added: 7.0 FTEs to reduce MnChoices waiting line.
(No levy required.)

MnChoices: Wait times will improve with additional 7.0 FTEs.



MnChoices Wait Times and Staffing, October 2024



- Long term plans
 - 5- year budget plan goals to include:
 - CPA to be used for CIP or other one-time expenses.
 - No permanent positions without permanent funding.
 - Increase reserves (goal of 35-50% of annual operations)
 - Centralized Finance
 - Collect on \$120M of funds owed to road projects.
 - Improve overall reimbursement for CS programs.
 - Better overall control of budgets.
 - Improved information for department planning.

Unresolved by this budget



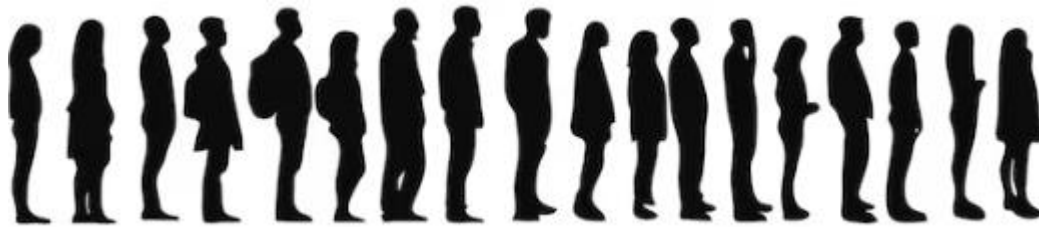
- Long wait times for Health Care eligibility (and other Public Assistance programs).



Health Care Program	Constituent wait for eligibility determination
Long Term Care	5 months
Medical Assistance (more complicated cases through MAXIS)	4 months
Medical Assistance (less complicated cases through METS)	2.5 months

Multiplying effects for clients...

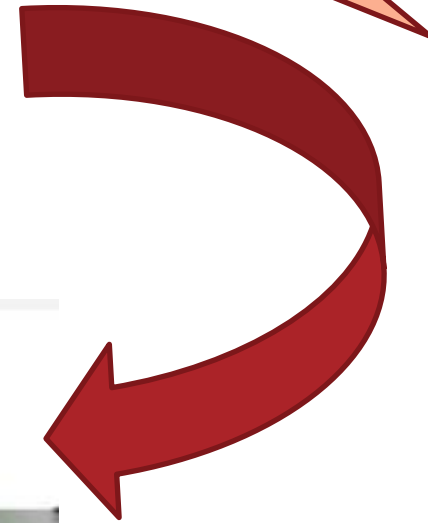
MnChoices Assessment Line = 8 months



Thank you for your patience. Now please proceed to the MA line...



MA lines = 4-5 months more



Why can't we solve the MA lines in this budget?



With the current caseload, reducing wait times to state standards would require:

~ 20 additional eligibility workers

20 (\$50K/year)= ~\$1,000,000 / year new levy funding

Progress but more work to come.





2025 Budget Update

November 12, 2024

GGP

Paul Sikorski, Finance Director

Additional Post 2025 County Manager Recommended Budget Expenses



Expense Increases

Cost

Medical Examiner Increase

\$0.3 M

Health Insurance above 7%

\$0.8 M

2025 Merit/Comp Plan

\$2.4 M

\$3.5 M

Funding Offsets

Set-aside

\$2.6 M

Revenue Increases

\$0.9 M

\$3.5 M

Additional revenues or expense savings above new costs



<u>Description</u>	<u>Amount</u>
Fees	~\$50K
Additional Chargebacks	~\$75K
Expense reductions	<u>~\$25K</u>
Total	\$150K

Use to permanently fund one-time FTEs or reduce maximum levy by 0.10% to 9.82%

Future Issues



- Positions funded with one-time revenues
 - ~~15 FTEs E&EA Financial Workers (ARPA) Resolved~~
 - ~~8 FTEs E&EA Financial Workers (ARPA) Resolved~~
 - 15 FTEs Social Services for Crisis/Coordinated Response (ARPA)
 - 2 FTEs Social Services for Pre-Petition Screenings/Civil Commitments (ARPA)
 - 2 FTEs County Attorney backlog (Public Safety Aid)
- CPA split – 93% (\$24.9M) Operations vs 7% (\$1.9M) CIP
- Salary Savings used in 2025 4% (\$7.2M) (up from 3.5%)
 - Use of over-complement FTEs reduces salary savings.
Current over-comp FTEs = 20 (~\$2 million)
- Unassigned Fund Balance minimum at estimated 20% (\$55M) after Board approved projects through 2024

2025 Budget Development Process



- June 24 - Budget Workshop #1
- August 13,20,27 – Recommended Budget and County Board Budget Hearings
- September 10 - Maximum Levy
- November 12 – Budget Update (GGP)
- December 3 – County Board Budget Public Hearing (“Truth-In-Taxation”)
- December 17 – County Board Adoption of 2025 Budget