

2023

General Government

County Program Aid/Property Tax Relief

Minnesota counties administer a variety of funded, partially funded, and unfunded mandates on behalf of the state. Over time, these duties have only expanded, adding additional work and complexity for counties while also increasing the costs of services on property taxpayers—who ultimately pay for unfunded mandates via levy and property tax interactions. In addition, Minnesota has witnessed historical increases in residential market value adjustments, mirroring nationwide sales trends that drove residential prices to historic highs and shifted a greater property tax burden on residential properties. Together these effects represent increased burdens on Minnesota households already dealing with the adverse effects of inflation. AMC requests that the Legislature acts to recognize counties' role in administering state mandates and the disproportionate impact on county levies and property taxes by providing a significant infusion of new County Program Aid funds to address historic funding shortages, keep pace with inflationary costs, and strengthen the state-county partnership. This priority also supports bolstering additional property tax relief mechanisms such as the homestead market value exclusion, general property tax refund, and targeted property tax refund to assist in alleviating property tax pressures for residents.

AMC supports legislative action to provide comprehensive property tax relief through an increase in County Program Aid along with expanded benefits in the state's homestead exclusion, property tax refund, and targeted property tax refund programs.

Public Health & Human Services/Public Safety

Mental Health

State funding and regional investments are needed to address gaps in Minnesota's mental health infrastructure to ensure that appropriate and culturally competent services are available for children and adults with high needs in all communities. Minnesota's mental and behavioral health infrastructure must include crisis stabilization and rehabilitation services, along with ongoing community support services to ensure placements in jails and emergency rooms are limited.

The State of Minnesota must develop a sufficient state-operated safety net of mental and behavioral health facilities because vulnerable members of our communities are disproportionately impacted when our current providers are not able to meet their needs for care or medically appropriate placements. Necessary facilities and services with an appropriate level of care include Minnesota State-Operated Community Services (MSOCS), Child and Adolescent Behavioral Health Hospitals (CABHH), crisis beds, high acuity – or more involved and labor-intensive services for those with complex needs – placements, integrated developmental disability and mental health homes, and both secure and non-secure therapeutic treatment options for adults and children involved with the criminal justice system.

Bonding dollars should be leveraged to support local government when developing, building, or remodeling facilities, in addition to adequate programming dollars to ensure facilities are appropriately staffed in the current workforce shortage.

AMC supports developing
Minnesota's mental health
and developmental
disabilities continuum of
care so that it appropriately
serves high needs and
hard to serve individuals in
communities throughout
the state by investing in
prevention, communitybased services, placements
for individuals with
complex needs, and
services for justice involved
adults and children.

Public Safety

Community Supervision

Minnesota's county-based probation systems are chronically underfunded by the current funding formulas. 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 create one formula that applies to every county while retaining the ability to choose their delivery system. It will ensure that all counties can provide 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.

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.

General Government

Housing Investments

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.

Transportation & Infrastructure

Transportation Funding (Dedicated Funding and Bonding)

AMC supports a statewide, integrated, multi-modal transportation system that keeps Minnesota competitive in a global marketplace with long-term, sustainable funding to ensure safe systems that efficiently move people and goods. With over 90% of Minnesota's road mileage under the local jurisdiction and about 80% of bridges on the local system, the gap between projected funding and the amount needed to adequately maintain and improve local roads and bridges is significant. A sustainable investment option from the Legislature would help counties plan for future projects and address the growing need at the local level. Bonding for these four transportation programs is equally important to counties and is a key piece in the transportation funding puzzle. Counties are grateful for the significant investment in these programs in the 2020 bonding bill, but there is still a considerable need for additional funding for these programs statewide. Counties have identified over five hundred bridges on the master bridge replacement priority list. Additionally, the most recent solicitation for the Local Road Improvement Program received 425 applications totaling \$344 million in requests.

Environment & Natural Resources

SCORE/SWMT

The Solid Waste Management Tax was created in 1997 by merging two former solid waste fees. The tax was intended to help state and local governments address waste management. Currently, 30% of the taxes collected are diverted to the general fund for other purposes. In addition, although revenues have continued to grow, the level of funding sent back to counties has remained mostly stagnant. AMC seeks to redirect the SWMT revenues currently going to the general fund to counties' waste management efforts through SCORE Grants.

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.

AMC supports equity in transportation infrastructure through continued comprehensive transportation funding that includes new revenue for roads, bridges, and transit and a bonding bill that includes funding for transportation-related programs (Local Road Improvement Program, **Local Bridge Replacement** Program, Local Road Wetland Replacement Program, **Busway Capital Improvement** Program).

AMC supports allocating 100% of the revenue generated by the Solid Waste Management Tax (SWMT) to state and county waste management activities, including increased funding for SCORE (Governor's Select Committee on Recycling and the Environment) grants to counties.

AMC supports state investment in local public health to increase capacity to ensure all people in Minnesota can expect a baseline of core services, such as public health emergency preparedness and response.

AMC supports long term, sustainable, and equitable funding directed to support whole family behavioral health and wellbeing particularly in the area of Family First Prevention Services Act Implementation and in the development of Family Resource Centers.

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

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

Public Health & Human Services

Local Public Health Funding

Foundational public health capabilities are skills that need to be available in health departments so the public health system can work as a whole. Currently, the capacity of Minnesota's local health departments varies widely across the state. All Minnesotans should have access to good quality public health services, regardless of where they live. Local health departments should have a baseline of organizational competencies such as assessment and surveillance of health threats, emergency preparedness and response, infectious disease prevention and control, communications, development of community partnerships, administrative competencies, and expert staff they can leverage to protect and promote public health. Investing in prevention pays off by saving health care and other public program costs, such as those from corrections and child protection.

Public Health & Human Services

Family First and Family Resource Centers

As a result of historically inadequate funding, an over reliance on local governments to financially support state and federal mandates and workforce challenges, counties consistently experience difficulty accessing and providing data driven supports and services that are known to strengthen and protect families from experiencing negative outcomes associated with involvement in deeper end services such as child protection and justice involvement. Counties support the state of Minnesota funding programs and services that meet the needs of Minnesota in the following areas – community and peer supports, substance use disorder, mental health, parenting skills and kinship navigation programming, cultural and lived experience initiatives, and initiatives such as Family Resource Centers (FRC's) that center community in decision making and the delivery of services. With investment by the state and the intentional development of an equitable and accessible service array across all 87 counties, Minnesota will be positioned to deliver services to individuals, youth, and families while also leveraging available federal funds.

Transportation & Infrastructure

Broadband

Last session, the Legislature appropriated \$50 million from the general fund and an additional \$60 million from the state's ARP Capital Projects Fund (CPF) to fund the state Border-to-Border Broadband Development Grant Program (\$70 million from CPF was appropriated in the 2021 session). This investment in the grant program will go a long way in achieving border to border broadband in Minnesota. However, DEED's Office of Broadband Development (OBD) estimated a total need of \$1.3 billion to connect the rest of the state. Additional federal dollars will come to the state through the Infrastructure Investment and Jobs Act (IIJA), but recent developments indicate the IIJA funding, although significant, could be delayed until 2024 while the FCC develops new broadband service maps. There could still be a strong push for additional state investment in broadband next session. AMC also acknowledges the need to address affordability, an issue that is impacting Minnesotan's access to broadband service in both the metro and Greater Minnesota.

General Government

PILT Sustainability

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 reassessment 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.

Public Health & Human Services

Systems Modernization

Counties rely on the state for technology infrastructure in health and human services, with too many of our current statewide systems operating on antiquated technology platforms that are inefficient and burdensome for county staff. These technological shortcomings, plus cumbersome and inefficient administrative rules and requirements, prolong administrative work and create roadblocks for county workers. Minnesota needs to prioritize modernization projects that improve user experience and reduce the administrative burden for case workers and the people they serve. Counties need our systems to be flexible, nimble, and responsive to our community's needs; significant investment and improvement in the modernization process at the state is needed. Counties need a stronger voice in modernization decisions by the state, starting with utilizing a county impact assessment in investment decision-making. Counties need access to their data in real time and they must have the ability to disaggregate data (break it up by county) to analyze their local performance. The state must allocate a portion of state transformation funds and enhanced federal funding to counties for local innovation efforts and to offset the county cost of implementation of new state-provided technologies. The health and human services system should be built as a state-county enterprise. Appropriate investments can automate tasks and save time so staff can focus on supporting individuals and families and contribute to mitigating the impact of the workforce shortages counties are facing.

AMC supports major state investment in systems transformation and modernization – which must include appropriate county collaboration, oversight, and guidance – to achieve efficient service delivery in health and human services.

General Government

Changing Trends in Duty Disability Departures

AMC worked closely with the League of Minnesota Cities last session to move forward a legislative proposal that sought to address a historic increase in the amount of duty disability departures related to PTSD (Post Traumatic Stress Disorder) among public safety officers. While 2020 marked a height in duty disability departures, the trend of public safety officers leaving their profession due to mental health stress and related trauma remains high. In fact, as of this summer, PERA (Public Employees Retirement Association) has estimated that if trends continue, the Police and Fire Pension Plan will be no longer be on a path towards funding sufficiency. Outside health impacts, the extreme number of departures are disrupting recruitment capabilities and having negative effects on public safety workforces across the state. Minnesota should urgently implement new strategies in the workers compensation system to prioritize mental health treatments that have proven success at returning colleagues back to their profession and provide local governments with full reimbursement for state-mandated health insurance benefits.

AMC supports legislative efforts to address increased duty disability departures in a way that promotes mental well-being and job retention and provides increased financial sustainability to local government employers and pension plans.

General Government/Public Health & Human Services/Public Safety Response to Cannabis Legislation

As the Legislature weighs potential action to legalize adult-use recreational cannabis use, counties join other local governments in highlighting impacts and effects across county operations and in our communities. Local governments should be consulted in any legalization legislation and will be requesting clear zoning and local control authority accompanied by a strong state regulatory framework that will ensure safe and legal operations. In addition, local governments should be considered in any new revenue discussions to support increased needs in the areas of zoning, public safety/enforcement, public health, family services, solid waste management, and more.

AMC supports the Legislature revising recently passed THC/ edible legislation to address challenges in implementation and enforcement and ensure a strong regulatory framework. If general adult-use cannabis legalization legislation is considered, local government concerns and priorities should be incorporated in any legislation, particularly as those concerns relate to zoning/local control, regulatory framework, and local revenue sharing.

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