A bill for an act

relating to human services; creating equal access and equitable funding health and human services reform; creating a steering committee; requiring reports; proposing coding for new law in Minnesota Statutes, chapter 256E.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[256E.40] EQUAL ACCESS AND EQUITABLE FUNDING HEALTH AND HUMAN SERVICES REFORM.**

Subdivision 1. **Purpose.** The purpose of this reform is to ensure that all residents of the state have equal access to essential health and human services and supports. To ensure equal access, services should be funded in an equitable manner across the state, that does not put an undue burden on property taxes. Financial reform shall address and correct current inequities in the required local contributions for health and human services. Performance outcomes shall be the basis for accountability, not implementation mandates.

Subd. 2. **Reform.** (a) The goals in reforming the health and human services delivery system shall focus on the following.

(b) Equal access is an equal chance for every resident of the state to secure access to essential services in order to achieve a desired outcome. Access to essential services shall not be dependent on the willingness of a county board to make discretionary investments from property tax funds.

(c) Client and program outcomes shall be developed jointly by counties and the state agencies in consultation with affected persons and constituency groups, for all essential services and with regard to available resources.

(1) The development of outcome goals shall also consider the manner in which achievement of these goals will be reported. An estimate of increased or decreased state

and local administrative costs in collecting and reporting outcomes shall be included when outcome goals are established.

(2) The goal of implementing changes to program monitoring and reporting the progress toward achieving outcomes is to significantly minimize the cost of administrative requirements. This decreased cost must allow funds used for administrative purposes to be used in providing services, allowing flexibility in service design and management, and focusing energies on achieving program and client outcomes.

(3) The commissioner of human services shall publish instructional bulletins containing the outcome goals and reporting requirements. The commissioner shall repeal the rules implementing the existing monitoring system, and use the expedited rulemaking process according to section 14.389 to adopt rules necessary to implement the new reporting requirements. The commissioner shall initiate state plan amendments necessary to implement provisions of this section.

(d) To the greatest degree possible, essential health and human services shall be funded by state and federal funds rather than local property taxes.

(1) Distribution of federal and state funds shall recognize program demand and unique differences of the local area.

(2) While local property tax funding shall be avoided whenever possible, when local financial contributions are required, an equal burden should be placed on property taxpayers across the state.

(3) Local innovation and pilot programs using local revenues should be encouraged as learning opportunities without risk of long-term obligation.

(4) Any state agency proposals for new or increased property taxes must be reported to the chairs and ranking minority members of the legislative committees with jurisdiction over health, human services, or taxes.

Subd. 3. **Steering committee.** (a) To guide the implementation of the equal access and equitable funding health and human services reform, a program reform steering committee is established. The committee shall include:

(1) the commissioner of human services or a designee;

(2) three county commissioners, representative of rural, suburban, and urban counties, selected by the Association of Minnesota Counties;

(3) three county directors of human services, representative of rural, suburban, and urban counties, selected by the Minnesota Association of Social Service Administrators; and

(4) four clients or client advocates representing different populations receiving services from the Department of Human Services, who are appointed by the commissioner.

(b) The commissioner or a designee, and a county commissioner shall serve as co-chairs of the committee. The committee shall be convened within 60 days of final enactment.

(c) State agency staff shall serve as informational resources and staff to the steering committee. Statewide county associations shall assemble county program data as required.

(d) Responsibilities of the steering committee include:

(1) establishing a three-year schedule of program reviews to evaluate and modify the outcome-based reporting system and to review the distribution of state and federal funds. Priority shall be given to services with the greatest variation in availability and greatest administrative demands. The schedule shall be published on the agency Web site and reported to the legislative committees with jurisdiction over health and human services;

(2) ensuring consistency and similar implementation of goal-related reforms across program areas;

(3) receiving and reviewing reports from working groups established by the steering committee. Working groups of state and county representatives shall seek and receive input from affected parties and clients;

(4) making recommendations on the adoption of proposed changes that address the access, quality, and finance goals; and

(5) making quarterly reports on the agency Web site on activity and progress on goal achievement.

Subd. 4. **Financial relief.** (a) A consolidated county contribution fund is established that shall be composed of local property tax contributions that reflect a uniform percentage of net tax capacity. It shall be the responsibility of the commissioner to allocate the consolidated county contribution fund between programs to meet federal match requirements.

(1) Local contributions to the consolidated county contribution fund shall not be subject to state levy limits.

(2) The levy contribution to the consolidated county contribution fund shall be the only financial contribution required from the counties to fund health and human services.

(3) No new maintenance of effort of financial match requirements shall be established for county health and human services programs implemented or changed after January 1, 2009. A maintenance of effort requirement is a financial mandate that requires the continuation of local property tax or other local funding that originally was discretionary.

(b) To implement county financial relief:

(1) the commissioner of revenue shall provide estimates to the commissioner of human services of the expected revenues from the county property tax contribution;

(2) to maintain local services funded by property taxes that the state has used to earn a federal match, the commissioner shall certify the equivalent local percentage of net tax capacity based on the 2008 expenditures for the match earning programs and deduct that amount from a county's share to the consolidated county contribution fund; and

(3) each county shall transfer its contribution to the county consolidated contribution fund in two payments after collecting property taxes, one-half on June 15 and one-half on November 15.

(c) The commissioner shall make an annual report beginning January 15, 2011, and every January 15 thereafter, to the chairs and ranking minority members of the legislative committees having jurisdiction over health and human services and taxes on the use of the county consolidated contribution fund.

EFFECTIVE DATE. Subdivisions 1 to 3 are effective upon final enactment. Subdivision 4 is effective January 1, 2010.