

SENATE
STATE OF MINNESOTA
EIGHTY-SEVENTH LEGISLATURE **S.F. No. 1340**

(SENATE AUTHORS: CARLSON, Higgins, Senjem, Skoe and Dahms)

DATE	D-PG	OFFICIAL STATUS
05/02/2011	1605	Introduction and first reading Referred to Local Government and Elections
05/05/2011	1760a	Comm report: To pass as amended and re-refer to State Government Innovation and Veterans
05/09/2011	1844a	Comm report: To pass as amended and re-refer to Finance
05/19/2011	2935	Comm report: To pass
	2935	Second reading
05/20/2011	2970	Special Order
	2970	Third reading Passed

A bill for an act

relating to counties; giving counties authority to provide for the general welfare; establishing an alternative service delivery pilot program for waivers; amending Minnesota Statutes 2010, section 375.18, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 402A.

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

ARTICLE 1

COUNTIES AUTHORIZED TO ACT ON MATTERS OF COUNTY CONCERN

Section 1. Minnesota Statutes 2010, section 375.18, is amended by adding a subdivision to read:

Subd. 16. **General welfare.** (a) A county may exercise all powers necessary or fairly implied by an express delegation by the state of a duty or a grant of power, incident or essential to the exercise of an express delegation of a duty or a grant of power, and not expressly denied by or inconsistent with the laws and regulations of the state or the United States.

(b) A county may adopt reasonable ordinances, resolutions, and regulations relating to its property, affairs, and operations, and provide for the general health, safety, and welfare of the county, provided that the action is not expressly denied by or inconsistent with the laws and regulations of the state or the United States.

(c) In exercising these powers, a county must not act in conflict or inconsistent with the powers and duties of other political subdivisions within the county.

(d) The authority granted in this section is subject to section 471.633.

ARTICLE 2

MAGIC ACT

Section 1. **[402A.60] MINNESOTA ACCOUNTABLE GOVERNMENT INNOVATION AND COLLABORATION (MAGIC) ACT.**

Sections 402A.60 to 402A.95 may be cited as the Minnesota Accountable Government Innovation and Collaboration (MAGIC) Act. It is established to develop and test alternative models for service delivery by counties, that are focused on performance measures and outcomes rather than processes for delivering services.

Sec. 2. **[402A.70] DEFINITIONS.**

Subdivision 1. **Application.** The terms defined in this section apply to sections 402A.60 to 402A.95.

Subd. 2. **County.** "County" includes a joint powers board of which a county is a member, and a service delivery authority as defined in section 402A.10, subdivision 5.

Subd. 3. **Pilot project.** "Pilot project" means a service that a county is providing by an alternative service delivery method that requires a waiver of or exemption from a law, rule, or procedure and that is approved under sections 402A.60 to 402A.95.

Subd. 4. **Pilot project coordinator or coordinator.** "Pilot project coordinator" or "coordinator" means a member of the governor's staff or a state agency who is designated by the governor to coordinate pilot projects among state agencies.

Sec. 3. **[402A.80] PILOT PROJECT SELECTION PROCESS.**

Subdivision 1. **Scope of pilot project program.** The maximum number of pilot projects in operation at any time is ten per state agency and two per county. Each pilot project must be substantively different from any other pilot project.

Subd. 2. **Coordinator's duties.** The pilot project coordinator is responsible for general oversight of the pilot project program. Among the coordinator's duties are ensuring that the maximum number and type of pilot projects is not exceeded. The coordinator must develop, or assist state agencies in developing, any useful application forms and procedures for use by applicants and state agencies.

Subd. 3. **County initiation; notice.** A county may apply to the pilot project coordinator for permission to implement an alternative service delivery pilot project. The coordinator must work in conjunction with the commissioner of the appropriate state agency or agencies. The application at a minimum must include a resolution adopted at a regular meeting of the county board held after at least two weeks' published notice. The

3.1 county must provide notice of the proposed pilot project to: (1) the collective bargaining
3.2 units with which the county has agreements, and (2) any person or organization that
3.3 represents potentially affected service recipients. The county board must permit any party
3.4 receiving notice of the pilot project proposed and any other interested parties to provide
3.5 comments on the proposal before the county board takes action on the proposed resolution
3.6 to submit a pilot project for implementation.

3.7 Subd. 4. **County business plan.** The county alternative service delivery business
3.8 plan must:

3.9 (1) identify the service, program, process, or structure at issue;

3.10 (2) identify the statute, administrative rule, or the law imposing a requirement with
3.11 respect to which the waiver or exemption is requested;

3.12 (3) include a description of the performance measures developed under section 6.91
3.13 or other method and outcomes sought, including an explanation of the effect of the waiver
3.14 or exemption in accomplishing that outcome;

3.15 (4) include a description of the means by which the attainment of the outcome
3.16 will be measured;

3.17 (5) specify the proposed date of implementation and expiration for the alternative
3.18 service delivery model over a time period not less than 12 months and not more than
3.19 36 months;

3.20 (6) describe the consideration given to intergovernmental cooperation in providing
3.21 this service, and an explanation of why the county has elected to proceed independently if
3.22 the waiver or exemption is proposed by a single county;

3.23 (7) describe how the county will seek out and take into consideration the advice of
3.24 those receiving services who may be affected by the pilot project; and

3.25 (8) include a contingency plan that allows the county to abandon the pilot project
3.26 voluntarily or due to the pilot project reaching its expiration date, and provide for the
3.27 service delivery under existing laws and procedures.

3.28 Subd. 5. **Review and approval of performance measures; outcome goals.**

3.29 The coordinator and the commissioner of the affected state agency have 60 days to
3.30 review the application. The coordinator and commissioner must consult with appropriate
3.31 stakeholders. The coordinator and the commissioner of the affected state agency may
3.32 require changes to the county's performance measures and outcome goals. The coordinator
3.33 and the commissioner of the affected state agency must approve the performance measures
3.34 and outcome goals before the county may proceed with the pilot project.

3.35 Subd. 6. **Review and comment on alternative delivery.** After the coordinator and
3.36 the commissioner of the affected state agency have approved the performance measures

4.1 and outcome goals, they must review the county's plan to implement its alternative service
4.2 delivery pilot project. The coordinator and commissioner must consult with appropriate
4.3 stakeholders. The coordinator and the commissioner of the affected state agency may
4.4 comment on the plan and recommend changes. The county may adopt the recommended
4.5 changes or explain in writing to the coordinator and the commissioner of the affected state
4.6 agency within 30 days why it is not adopting the changes in the implementation.

4.7 Subd. 7. **No prejudice or violation of rights.** Before the coordinator and the
4.8 commissioner of the affected state agency approve an alternative service delivery pilot
4.9 project, they and the county must determine that any proposed waiver or suspension of
4.10 state laws, rules, or administrative procedures will not prejudice a substantial legal right of
4.11 any person, violate due process or any other state or federal law, or jeopardize state plan
4.12 agreements with the federal government and related federal funding.

4.13 Subd. 8. **Modifications.** At a county's request, the coordinator and commissioner
4.14 for each affected state agency may approve modifications to the county's pilot project.
4.15 The coordinator and commissioner may also submit recommended modifications in
4.16 writing during the term of the pilot project, but a county is not required to implement
4.17 the modifications.

4.18 **Sec. 4. [402A.85] COUNTY EMPLOYEES.**

4.19 (a) Any restructuring of county agencies under the MAGIC Act must include efforts
4.20 to ensure that fair and equitable arrangements are carried out to protect the interests of
4.21 county employees and to provide the best possible service to the public. The county shall
4.22 make an effort to train and retrain existing employees for a changing work environment.
4.23 Where a MAGIC Act pilot project may involve a loss of existing positions and
4.24 employment, the county shall assist affected employees in finding suitable employment.

4.25 (b) Options available to employees whose positions will be eliminated by
4.26 implementation of a MAGIC Act pilot project must include, at a minimum, job and
4.27 training opportunities necessary to qualify for another job in the same, an equal, or a lower
4.28 classification within the county.

4.29 (c) Procedures for notifying employees affected by MAGIC Act pilot projects must
4.30 be negotiated into collective bargaining agreements under chapter 179A. Upon notification
4.31 of a proposed pilot project, the bargaining unit is afforded the opportunity to bargain over
4.32 any changes to an employee's working conditions or employment status contained within
4.33 the proposed business plan. Nothing in this section shall be construed as diminishing any
4.34 rights of employers or employees as defined in collective bargaining agreements under
4.35 this chapter or chapter 179A.

5.1 (d) Employees of any pilot project remain employees of the county or counties
5.2 sponsoring the project and remain members of their existing collective bargaining unit,
5.3 if any.

5.4 Sec. 5. **[402A.90] CANCELLATION OF PILOT PROJECT.**

5.5 A county may abandon a pilot project if it determines it will not meet the outcomes
5.6 identified. It must follow procedures identified in its business plan to abandon the project
5.7 and provide for the service delivery under existing laws and procedures.

5.8 The coordinator, in consultation with the commissioner of any affected state agency,
5.9 may cancel a county's authority to continue operating its pilot project if the coordinator
5.10 determines that the county is not operating in compliance with its business plan.

5.11 Sec. 6. **[402A.95] EVALUATION AND REPORT.**

5.12 Subdivision 1. **County report.** Each county participating in the alternative service
5.13 delivery pilot project program must provide to the coordinator and the commissioner
5.14 of each affected state agency an annual report on its experience to date with the pilot
5.15 project. The report is due by December 15. The report must include information on
5.16 the services involved, the performance measures and outcome goals, what waivers or
5.17 exemptions were sought and granted, whether the pilot project was modified and why, the
5.18 successes and failures, costs, savings, and any other information the county, coordinator,
5.19 or commissioner determine is useful in evaluating the program. A final report is due
5.20 within three months of the county concluding its pilot project.

5.21 Subd. 2. **Report to governor and legislature.** By January 15 each year, the
5.22 coordinator must compile the county reports into one report to the governor, legislative
5.23 leaders, and the chairs and ranking minority members of the legislative committees with
5.24 jurisdiction over policy and finance related to state government operations, taxes, and the
5.25 program areas in which pilot projects have been implemented. The report must also list all
5.26 active pilot projects and their expiration dates.

5.27 Sec. 7. **EFFECTIVE DATE.**

5.28 This act is effective the day following final enactment.

APPENDIX
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