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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH  
SESSION

HOUSE FILE No. **1659**

March 12, 2009

Authored by Solberg, Holberg, Hausman, Greiling, Dean and others

The bill was read for the first time and referred to the Committee on Health Care and Human Services Policy and Oversight

March 30, 2009

Committee Recommendation and Adoption of Report:

To Pass as Amended and re-referred to the Committee on Finance

1.1 A bill for an act  
1.2 relating to human services; establishing a State-County Results, Accountability,  
1.3 and Service Delivery Redesign; requiring reports; appropriating money;  
1.4 proposing coding for new law as Minnesota Statutes, chapter 402A.

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

1.6 Section 1. **[402A.01] CITATION.**

1.7 Sections 402A.01 to 402A.50 may be cited as the "State-County Results,  
1.8 Accountability, and Service Delivery Redesign Act."

1.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1.10 Sec. 2. **[402A.10] DEFINITIONS.**

1.11 Subdivision 1. **Terms defined.** For the purposes of this chapter, the terms defined in  
1.12 this subdivision have the meanings given.

1.13 Subd. 2. **Council.** "Council" means the Council on State-County Results,  
1.14 Accountability, and Service Delivery Redesign established in section 402A.30.

1.15 Subd. 3. **Redesign.** "Redesign" means the State-County Results, Accountability,  
1.16 and Service Delivery Redesign under this chapter.

1.17 Subd. 4. **Service delivery authority.** "Service delivery authority" means a single  
1.18 county, or group of counties operating by execution of a joint powers agreement under  
1.19 section 471.59 or other contractual agreement, that has voluntarily chosen by resolution of  
1.20 the county board of commissioners to participate in the redesign under this chapter.

1.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.1       Sec. 3. **[402A.20] ESTABLISHMENT; PURPOSE; OPT-IN.**

2.2           (a) The State-County Results, Accountability, and Service Delivery redesign is  
2.3 established to authorize implementation of methods and procedures for administering  
2.4 assistance and services to recipients or potential recipients of public welfare and other  
2.5 services delivered by counties which encourage greater transparency, more effective  
2.6 governance, and innovation through the use of flexibility and performance management.

2.7           (b) Beginning January 1, 2010, and annually thereafter, each county board in  
2.8 Minnesota shall vote to determine whether the county intends to participate in the redesign  
2.9 under this chapter.

2.10       **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.11       Sec. 4. **[402A.30] OVERSIGHT COUNCIL.**

2.12           Subdivision 1. **Oversight Council.** (a) There is created a State-County Results,  
2.13 Accountability, and Service Delivery Redesign Council. The council is responsible for  
2.14 oversight of the redesign and must be convened by the commissioner of human services  
2.15 by January 1, 2010. Designated council members must be appointed by their respective  
2.16 agencies, associations, or governmental units by December 15, 2009. Decisions of the  
2.17 council must be approved by a majority of the council members. The provisions of section  
2.18 15.059 do not apply to this council, and this council does not expire.

2.19           (b) The council must consist of the following members:

2.20           (1) one representative from the governor's office;

2.21           (2) the chair of the house of representatives Health Care and Human Services Policy  
2.22 and Oversight Committee, or designee;

2.23           (3) the chair of the senate Health, Housing, and Family Security Committee, or  
2.24 designee;

2.25           (4) the commissioner of human services;

2.26           (5) the chief information officer of the Office of Enterprise Technology;

2.27           (6) two representatives of the Association of Minnesota Counties;

2.28           (7) two representatives of the Minnesota Association of County Administrators;

2.29           (8) one representative of the Minnesota County Attorneys Association; and

2.30           (9) two representatives of the Minnesota Association of County Social Service  
2.31 Administrators.

2.32           (c) Administrative support to the council may be provided by the Association of  
2.33 Minnesota Counties and affiliates.

2.34           (d) Legislative research support must be provided by state legislative staff as  
2.35 requested by the council.

3.1 (e) Member agencies and associations are responsible for initial and subsequent  
3.2 appointments to the council.

3.3 Subd. 2. **Council duties.** (a) The council shall:

3.4 (1) provide oversight of the administration of the redesign;

3.5 (2) recommend the approval of waivers from statutory requirements, administrative  
3.6 rules, and standards necessary to achieve the requirements of the agreements under  
3.7 section 402A.40, subdivision 7, paragraph (b), to the commissioner of human services  
3.8 or other appropriate entity, for counties certified as service delivery authorities under  
3.9 section 402A.40;

3.10 (3) recommend approval of the agreements in section 402A.40, subdivision 7,  
3.11 paragraph (b), to the commissioner of human services;

3.12 (4) recommend certification of a county or consortium of counties as a service  
3.13 delivery authority to the commissioner of human services;

3.14 (5) recommend approval of shared services arrangements under section 402A.40,  
3.15 subdivision 5;

3.16 (6) form work groups as necessary to carry out the duties of the council under the  
3.17 redesign; and

3.18 (7) establish procedures that allow for a due process of decisions made by the  
3.19 commissioner of human services under the provisions of the redesign and establish a  
3.20 process for the mediation of conflicts between participating counties.

3.21 (b) In order to carry out the provisions of the redesign, and to effectuate the  
3.22 agreements established under section 402A.40, subdivision 7, paragraph (b), the  
3.23 commissioner of human services shall exercise authority under section 256.01, subdivision  
3.24 2, paragraph (1), including seeking all necessary waivers. The commissioner of human  
3.25 services has authority to approve shared service arrangements as defined in section  
3.26 402A.40, subdivision 5.

3.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.28 Sec. 5. **[402A.40] DESIGNATION OF SERVICE DELIVERY AUTHORITY.**

3.29 Subdivision 1. **Establishment.** A county or consortium of counties may establish a  
3.30 service delivery authority under the redesign to engage in the delivery of human services,  
3.31 or other services as appropriate.

3.32 Subd. 2. **Duties.** (a) The service delivery authority shall:

3.33 (1) carry out the responsibilities required of local agencies under chapter 393 and  
3.34 human service boards under chapter 402;

4.1 (2) manage the public resources devoted to human services and other public services  
4.2 delivered or purchased by the counties that are subsidized or regulated by the Department  
4.3 of Human Services under chapter 245 or 267;

4.4 (3) employ staff to assist in carrying out the redesign;

4.5 (4) develop and maintain a continuity of operations plan to ensure the continued  
4.6 operation or resumption of essential human services functions in the event of any business  
4.7 interruption according to local, state, and federal emergency planning requirements;

4.8 (5) receive and expend funds received for the redesign;

4.9 (6) rent, purchase, sell, and otherwise dispose of real and personal property as  
4.10 necessary to carry out the redesign; and

4.11 (7) carry out any other service designated as a responsibility of a county.

4.12 (b) Each service delivery authority certified under subdivision 3 shall designate a  
4.13 single administrative structure that has the powers and duties assigned to the service  
4.14 delivery authority effective January 1, 2013, and annually thereafter.

4.15 Subd. 3. **Certification of service delivery authority.** The council shall recommend  
4.16 certification of a county or consortium of counties as a service delivery authority to the  
4.17 commissioner of human services if:

4.18 (1) the conditions in subdivision 6, paragraph (a), clauses (1) to (3), are met; and

4.19 (2) the county or consortium of counties are:

4.20 (i) a single county with a population of 55,000 or more;

4.21 (ii) a consortium of counties with a total combined population of 55,000 or more and  
4.22 the counties comprising the consortium are in reasonable geographic proximity; or

4.23 (iii) a single county or consortium of counties meeting the criteria for exemption  
4.24 from minimum population standards in this subdivision and subdivision 4.

4.25 Subd. 4. **Multicounty service delivery authority.** Two or more counties meeting  
4.26 the criteria in subdivision 3 may, by resolution of their county boards of commissioners,  
4.27 establish a service delivery authority having the composition, powers, and duties agreed  
4.28 upon. These counties may, by agreement entered into through action of their bodies,  
4.29 jointly or cooperatively exercise any power common to the contracting parties in carrying  
4.30 out their duties under current law, including, but not limited to, chapters 245 to 267 and  
4.31 393 and 402. Participating county boards shall establish acceptable ways of apportioning  
4.32 the cost of the services. A county board may withdraw from a service delivery authority  
4.33 under section 402.01. The council may recommend that the commissioner of human  
4.34 services exempt a multicounty service delivery authority from the minimum population  
4.35 standard in subdivision 3 if that multicounty service delivery authority can demonstrate  
4.36 that it can otherwise meet the requirements of the redesign.

5.1 Subd. 5. **Single county service delivery authority.** For counties with populations  
5.2 over 55,000, the board of county commissioners may be the service delivery authority  
5.3 and retain existing authority under law. Counties with populations over 55,000 that serve  
5.4 as their own service delivery authority may enter into shared services arrangements with  
5.5 other service delivery authorities or smaller counties. These shared services arrangements  
5.6 may include, but are not limited to, human services, corrections, public health, veterans  
5.7 planning, human resources, program development and operations, training, technical  
5.8 systems, joint purchasing, and consultative services or direct services to transient, special  
5.9 needs, or low-incidence populations. The council may recommend that the commissioner  
5.10 of human services exempt a single county service delivery authority from the minimum  
5.11 population standard in this subdivision if that service delivery authority can demonstrate  
5.12 that it can otherwise meet the requirements of the redesign.

5.13 Subd. 6. **Duties applicable to all counties.** (a) A county shall:

5.14 (1) by January 1, 2010, and annually thereafter, indicate to the council, through a  
5.15 board resolution, the county's intent to form or join a service delivery authority;

5.16 (2) by June 1, 2011, and annually thereafter, submit for approval to the council, a  
5.17 board resolution forming the service delivery authority, including the names of other  
5.18 counties anticipated to be members of the service delivery authority, if any;

5.19 (3) by June 1, 2012, and annually thereafter, submit for approval to the council, a  
5.20 plan that includes a contractual agreement for the service delivery authority including  
5.21 what shared services are to be provided to other service delivery authorities or counties, if  
5.22 applicable; and

5.23 (4) by January 1, 2013, and annually thereafter, meet measurable goals as defined in  
5.24 the performance agreement under subdivision 7, paragraph (b).

5.25 (b) After June 1, 2013, the commissioner of human services may submit to the  
5.26 council a recommendation of remedies for performance improvement for any service  
5.27 delivery authority not meeting the measurable goals agreed upon in performance  
5.28 agreements under subdivision 7, paragraph (b). This provision does not preclude other  
5.29 powers of the commissioner of human services to remedy county performance issues in a  
5.30 county or counties not certified as a service delivery authority.

5.31 Subd. 7. **New state-county governance framework.** (a) Nothing in this chapter  
5.32 precludes local governments from utilizing sections 465.81 to 465.82 to establish  
5.33 procedures for local governments to merge, with the consent of the voters. Any agreement  
5.34 under subdivision 4 or 5 must be governed by this chapter. The county boards of  
5.35 commissioners shall approve the agreement and shall determine the proportional financial  
5.36 responsibility of each county to support the programs and services of the service delivery

6.1 authority. Nothing in this chapter limits the authority of a county board to enter into  
6.2 contractual agreements for services not covered by the provisions of the redesign with  
6.3 other agencies or with other units of government.

6.4 (b) The state-county governance framework for service delivery authorities must  
6.5 include the following binding agreements:

6.6 (1) a governance agreement which defines the respective authority, powers, roles  
6.7 and responsibilities of the state and service delivery authorities under the redesign. As part  
6.8 of the governance agreement, the service delivery authority shall be held accountable for  
6.9 achieving measurable goals as defined in the performance agreement under clause (2).

6.10 The service delivery authorities must be granted waivers, as necessary, to ensure greater  
6.11 local control and flexibility to determine the most cost-effective means of achieving  
6.12 specified measurable goals;

6.13 (2) a performance agreement which defines measurable goals in key operational  
6.14 areas that the service delivery authority is expected to achieve. This agreement must  
6.15 identify dependencies and other requirements necessary for the service delivery  
6.16 authority to achieve the measurable goals as defined in the performance agreement. The  
6.17 dependencies and requirements may include, but are not limited to:

6.18 (i) specific resource commitments of the state and the service delivery authority; and

6.19 (ii) funding or expenditure flexibility, which may include, but are not limited to,  
6.20 exemptions to the requirements in section 245.4835 and 245.714; and

6.21 (3) a service level agreement which specifies the expectations and responsibilities  
6.22 of the state and the service delivery authority regarding administrative and information  
6.23 technology support necessary to achieve the measurable goals specified in the performance  
6.24 agreement under clause (2).

6.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

6.26 **Sec. 6. [402A.50] AID AND INCENTIVES TO COUNTIES.**

6.27 **Subdivision 1. Levy limits.** Notwithstanding any other law to the contrary,  
6.28 expenditures and activities carried out under the redesign are exempt from levy limits.

6.29 **Subd. 2. Private sector funding.** The council may support stakeholder agencies,  
6.30 if not otherwise prohibited by law, to separately or jointly seek and receive funds to  
6.31 provide expert technical assistance to the council, the council's workgroup, and any  
6.32 sub-workgroups for executing the provisions of the redesign.

6.33 **EFFECTIVE DATE.** This section is effective the day following final enactment.

7.1 Sec. 7. **APPROPRIATION.**

7.2 \$2,000,000 is appropriated for the biennium beginning July 1, 2009, from the  
7.3 general fund, to the Council on State-County Results, Accountability, and Service  
7.4 Delivery Redesign, for the purposes of the State-County Results, Accountability, and  
7.5 Service Delivery Redesign under Minnesota Statutes, sections 402A.01 to 402A.50. The  
7.6 council shall establish a methodology for distributing funds to certified service delivery  
7.7 authorities for the purposes of carrying out the requirements of the redesign.