

# Position Statement

2021

## Budget Setting Principles: Minnesota's 2022-2023 Biennium regarding Human Services Programs

### Proposal

**Issue:**

Minnesota is facing a forecasted deficit that is substantial and may likely result in a significant net reduction of state human services expenditures for SFY 2022-23.

MACSSA supports efforts to relieve the deficit that:

- Protect necessary programs for Minnesota's most vulnerable people
- Do not rely on county cost shifts as a revenue source
- Relieve counties of unfunded mandates for services
- Preserve the infrastructure of programming so that if temporarily scaled back, programs may be reinstated easily
- Promote administrative simplification and flexibility in service delivery
- Do not result in furthering racial, geographic, economic and other inequities

**Systemic Priority:**

Service Integration, Equity, Fiscal Framework

**Implementation Strategy:**

MACSSA will take a multi-dimensional approach, including:

- Engage DHS and other state departments (i.e. MMB) as necessary to be actively involved in all proposals that have direct, or indirect, budgetary impacts. An additional purpose of engagement with DHS will also be to continue efforts that actively nurture the working relationship between the counties and the state.
- Proactively provide the department with high-level suggestions for targeted areas in which savings might be mutually beneficial.
- Promote ideas or flexibilities that may not have a state fiscal savings but reduce the local fiscal or workforce impact.
- Oppose county cost shifts, as the result does not save the taxpayer, rather it shifts the burden to local property taxes. These cost shifts inequitably influence changes within counties which create severe economic challenges resulting in promoting racial, geographic, industrial, and other serious inequities.
- Utilize a standardized framework for thoroughly vetting each proposal submitted. This framework identifies the core principles of what proposals shall include, what they may include, and what they shall not include. The framework will serve as a decision-making guide for developing and responding to recommendations that address the net reductions in state human services expenditures. The principles are not mutually exclusive, as each principle will need to be balanced and prioritized against one another as each budget proposal is considered.
- Advocate for the use of local fiscal notes – to the extent that legislators are, at a minimum, “flagged” to cost shifts on local units of government. Work proactively with MMB to share concerns regarding the current statutory process surrounding local fiscal notes, namely the lag in timeline that exists for a true local fiscal note process to occur. MACSSA understands that, at a minimum, having fiscal notes

which utilize the local impact notation (even without figures) is an advancement on the fiscal notes used in previous legislative sessions.

**Systemic Priority Alignment  
(check all that apply and explain why)**

**Rationale/Background:**

MACSSA has supported various legislative and policy positions regarding the financing of human services programs over the years. Due to the unique challenges facing the state, the past positions do not meet the current need. The anticipated deficit is significant and may result in many changes to the programs and benefits that are delivered at the county level directly to those in need. It is critical that MACSSA be engaged in this conversation with the Legislature, so that decisions made are done so with transparency and a full basis of knowledge.

One primary driver for the forecasted deficit is the impact of the COVID-19 pandemic to the state's economy. As we are currently experiencing, and as history has shown us, when the economy contracts or recesses, the need for human services grows higher than pre-economic downturn. Demand for human services (especially income and health care assistance) is countercyclical to the economy. MACSSA is committed to engage this budgetary challenge so that county human service agencies are able to continue their core mission of preserving safety and well-being of Minnesota's most vulnerable populations.

Secondary to the primary issue are the ongoing benefits and challenges that are faced in the administrative structure of a state-supervised, county-administered human services system. Communications regarding such constructs as change effort, secondary/tertiary impact, program simplification, equity/disparities, county cost-shifts, innovation, unintended consequences, and infrastructure preservation among many others will be necessary to assure legislators make decisions with a wholistic understanding of budgetary proposals before them.

It is anticipated that a combination of many approaches will be recommended to the legislature for consideration. These include but are not limited to: health care eligibility changes, program elimination or reductions, grant reductions, leverage of federal funds, cost shifts / shares, payment timeline adjustments, additional revenues, among other strategies.

It is the goal of this position to increase communication, transparency and knowledge regarding potential impacts and opportunities of any and all ideas proposed, and have counties remain as an active partner in the human services delivery system.

**Additional Information:**



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