Leading and Learning Together:
Opportunities for County Leadership in Redesigning Government

CCI Annual Conference
June 8, 2011
• Beginnings of the MN REDESIGN Initiative

• HHS Examples of Moving From REDESIGN Ideas into Policy Initiatives
  • Service Delivery Authorities (SDA’s)
  • The MAGIC Act

• Opportunities to Partner & Collaborate OR Lessons Learned

• Discussion / Q & A
While the recent economic recession has officially ended, Minnesotans face a long and slow economic recovery.

Even once the economy has recovered to pre-recession levels in a few years, long-term growth is projected to be subdued when compared to past decades.
The Beginnings of REDESIGN

So why will we not be returning to the way things were before the recession?

– Demographic changes are driving growth in public service expenditures and reducing the pool of available workers

The recent recession exacerbated the problem by causing economic strain just as the demographic shift began to take full effect.
Minnesota’s Aging Workforce

Source: Stinson/Gillaspy Presentation, July 2008
The Beginnings of REDESIGN

Declining Labor Force Growth

Source: Stinson/Gillaspy Presentation, July 2008
The Beginnings of REDESIGN

Minnesota’s current budget was affected by the recession, but future budgets will be affected by these unavoidable demographic shifts.

– 2012-2013 biennium: A $5.5 billion deficit

– Spending is projected to continue outpacing revenue beyond 2012-2013
The Beginnings of REDESIGN

So what does this all really mean?

– Assuming state policymakers increase revenue by raising taxes and vigorously cut programs and services, it remains highly improbable that the state will be able to structurally balance long-term revenue and spending projections.

Transformational reform of the current system—REDESIGN—is the only practicable solution available to policymakers.
The Beginnings of REDESIGN

“I’ll be happy to give you innovative thinking. What are the guidelines?”
In 2003 the AMC Board began a movement to cultivate a culture of innovation and set up programs at AMC to explore and embrace innovative proposals.

County officials recognized at that time that the current state/county relationship would not be sustainable over the long-term.
In 2008 that culture of innovation at AMC led to the formal creation of the Minnesota REDESign Project. The project’s goals were:

– To devise means for serving citizens within a future of significantly reduced resources

– To enhance governance, transparency and flexibility within local and state government

– To demonstrate that county officials could provide leadership devoid of partisanship to improve the long-term outlook of MN
Some REDESIGN initiatives will be intra or inter-county, but others should be county-city, county-state, county-township, county-school, etc.

Whatever produces improved outcomes!
There has been agreement during the past three years from a vast array of stakeholders about the need to REDESIGN government so that it can sustainably meet the needs of its citizens.

Significant ideological, institutional and statutory barriers to innovation still exist, yet AMC members remain resolute in their support for the REDESIGN initiative.
Turning REDESIGN Ideas into Policy Initiatives
AMC’s role in REDESIGN can be divided into three major categories:

- Foster a statewide culture of innovation
- Develop substantive REDESIGN policy proposals
- Offer implementation resources when possible

The AMC Board of Directors has been emphasizing its desire to transition from REDESIGN rhetoric into sustained action
Since REAL Colorado is specifically focused on HHS issues, the following are two recent REDESIGN policy initiatives with significant HHS implications for MN Counties:

– Service Delivery Authorities (SDA’s)

– The MN Accountable Government Innovation and Collaboration (MAGIC) Act
January 2007

- Legislative auditor’s report on human services administration identified:
  - Too much administrative complexity in human services
  - Variability in process, outcomes, and access to service among counties
  - Small counties struggling to effectively administer human services

January-May 2009

- Then-Governor Tim Pawlenty proposed consolidation of MN’s county human services departments into 15 regional centers.

- Counties respond with SDA proposal based off of REDESIGN principles
About SDA’s

What exactly is an SDA?

– Can combine with other counties as an SDA to deliver a service, some services, or all services

– Provides an avenue for innovation--potential access to waivers from state regulations--sets up a more transparent process for this to happen

– No structure is specified in law, counties have maximum flexibility to organize themselves.
Why form an SDA?

- Use resources more effectively/efficiently
- More consistency in services in geographic region
- Opportunity for waivers from state/federal laws and rules
- Transparency in working with DHS (through Council process)
- Political reality of the future
About SDA’s

Steering Committee on Performance and Outcome Reforms
- Counties
- DHS
- Advocates

AMC Human Services Liaison Work Group
- Commissioners
- Human Service Directors
- Administrator
- At large member

Results Accountability Redesign Council
- Counties
- DHS
- Legislators

Minnesota Counties
About SDA’s

SDA Example 1

Southeastern Minnesota Community Transformation Contract

- 12 SE MN counties
- Outcomes/structural redesign/technology
- Co-op model
- Design labs
- Example: Chemical dependency pilot project
About SDA’s

SDA Example 2

Northeastern Minnesota Technology Sharing

✓ 7 NE MN Counties
✓ Goal: no county boundaries to access income supports
✓ Means: shared technology and staffing
About SDA’s

SDA Example 3

Southwestern MN
Shared Administration

✓ 2 counties

✓ Goal: administrative savings, more consistency across programs

✓ Share county services director and fiscal officer
About the MAGIC Act

What is the MAGIC Act?

– The MAGIC Act was a 2011 legislative initiative to enable counties and the state to cooperatively test and implement more efficient models of program delivery.

– The MAGIC Act recognizes that the state should focus on deciding WHAT to do and then enable counties to determine HOW to best achieve those desired outcomes.
About the MAGIC Act

Two Major Components to the MAGIC Act

1. All counties provided a “general welfare” clause

2. An improved, outcomes-based waiver process is created
About the MAGIC Act

Counties Provided a “General Welfare” Clause

– Counties would be statutorily authorized to take any action not prohibited by state law to provide for the health, safety and general welfare of the public. This provision would mirror the authority currently granted to Minnesota’s cities and townships.

– Currently counties can only act when explicitly authorized by the state.
About the MAGIC Act

Creation of an Outcomes-Based Waiver Process

– A waiver process based on the state-local partnership would be implemented to enable time-limited pilot projects subject to final legislative review, thus resulting in the creation of an innovative best-practices repository that governments can use to guide future policy and program decisions.

– The waiver process keeps the state focused on establishing and overseeing outcomes and performance measurement while counties will be enabled to focus on the implementation of efficient service delivery.
About the MAGIC Act

Legislative Progress of the MAGIC Act

– The bill passed 5 committee hearings (3 in Senate; 2 in House) with unanimous, bipartisan support at each stop

– The bill passed the MN Senate 62-1 during the last week of the legislative session, but due to scheduling was unable to receive its final House committee hearing

– AMC is currently negotiating with all parties to ensure that the MAGIC Act authorizing language is included in the yet-to-be-finalized state budget agreement. Today this outcome appears more likely than not
About the MAGIC Act

After Passage: Summer 2011 MAGIC Act Work

- It is imperative that AMC work with all 87 counties to ensure that all are aware of the new opportunities that are available after passage of the MAGIC Act

- AMC will be making association staff available for county consultations to educate and/or assist in implementation, and all county association events and affiliate organization conferences will include MAGIC Act discussion forums

- **Goal:** Incorporate MAGIC launch into ongoing MN REDESIGN Project efforts (just like SDA’s)
Five Lessons Learned: MN REDESIGN Project Implementation
Five Lessons Learned

1. Bringing forward innovative and sustainable ideas will fundamentally change the way counties are viewed by other parties
   - AMC has incrementally become more proactive in trying to predict (and in some cases dictate) the next big issue(s) that will impact local governments
   - Leadership is naturally uncomfortable at times, and there have been moments when members have questioned the strategy of seeking instead of being sought out
2. Developing mandate lists will never result in counties’ fully achieving desired outcomes

– AMC used to develop mandate lists for the Legislature every year to encourage the state to allow counties more freedom to make decisions and innovate, yet the list approach always disappointed.

– There are times when AMC still needs to develop illustrative lists, but the AMC Board has expressed a desire to focus on and modify the foundational elements that produce mandates.
Five Lessons Learned

3. Ownership of innovation successes must be shared

– AMC has at alternating times enhanced it success by sharing ownership with non-county stakeholders and impeded its success by trying to singlehandedly drive government REDESIGN

– It is a significant institutional challenge to expend resources on an initiative and then partially relinquish ownership, but government innovation cannot only be directed/managed by one county or group of counties
4. County associations and individual counties both have important roles to play in a statewide innovation agenda

- AMC’s role focuses on facilitation, coordination and categorization of ideas and then overseeing REDESIGN policy initiatives with potential statewide benefits

- Individual counties are the true drivers of REDESIGN by boldly implementing innovative ideas (created due to AMC efforts or otherwise) that are available
Five Lessons Learned

5. Changing a culture is difficult, takes time and requires committed visionaries

- There are no shortcuts to getting members supportive of a broadly focused innovation agenda that may significantly alter the status quo

- A culture of innovation requires trust that while some ideas may not prove fruitful, the long-term goals will ultimately result in an outcome that justifies the effort and resources expended
Thank You for Listening
Questions or Comments?

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