

2026 Annual Legislative Forum



2026 Annual Legislative Forum



Welcome

Commissioner Raeanne Danielowski
Sherburne County

2026 Annual Legislative Forum



Welcome

Commissioner Tarryl Clark

Stearns County

MICA President

2026 Annual Legislative Forum



Welcome

Nathan Jesson

MICA Executive Director

2026 Annual Legislative Forum



Policy Discussion #1 – Part 1

MAAFCPDWA

Commissioner Kurt Mortenson (Otter Tail)

Suzanne Arntson (Scott)

MN AFRICAN AMERICAN FAMILY PRESERVATION AND CHILD WELFARE DISPROPORTIONALITY ACT (MAAFPACWDA)

PRESENTERS:

- KURT MORTENSON, OTTER TAIL COUNTY COMMISSIONER
- SUZANNE ARNTSON, DEPUTY HHS DIRECTOR SCOTT COUNTY



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COUNTY - MINNESOTA



AGENDA

- Background/Purpose of MN African American Family Preservation and Child Welfare Disproportionality Act (MAAFPACWDA)
- Recent Court Ruling
- County Impacts
 - Workload
 - Case Reviews and Reporting
 - Funding
- 2026 County MAAFPACWDA Legislative Priorities
- Statewide Workgroup Preliminary Recommendations



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Recent Court Ruling

In the Matter of the Welfare of the Child of: M.J.B., Parent:

Held Hennepin phase-in program unconstitutional on Equal Protection grounds.

Found Hennepin Phase-in provision treated similarly situated parents differently, some as test cases, while excluding others from services and protections.

Found the Hennepin Phase-in underinclusive, excluding a percentage of population the statute is designed to benefit.

Does not mean that the legislation itself is unconstitutional.

Full implementation of MAAFPCWDA statewide remains January 1, 2027.



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BACKGROUND

Legislative context

- Statewide effort to address racial disparities in child welfare.
- Focus on African American families and other disproportionately represented populations (e.g., disability, socioeconomic) due to persistent disproportionality in system involvement.
- Builds on prior state/local initiatives: Family Resource Centers, prevention-first models, culturally specific supports.



PURPOSE

Chapter 117 - MN Laws

- During 2024 legislative session, the MN Legislature passed the MN African American Family Preservation and Child Welfare Disproportionality Act (MAAFPACWDA).
- Purpose of the law:
 - Protect best interests of African American and disproportionately represented children
 - Promote stability and security of African American and disproportionately represented children by establishing minimum standards to prevent arbitrary and unnecessary removal of African American and disproportionately represented children from their families
 - Sets a higher standard of intervention: Moves from Reasonable Efforts to Active Efforts
 - Improve permanency outcomes, including reunification for African American and disproportionately represented children



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DISPROPORTIONATELY REPRESENTED CHILD

Definition of Disproportionately Represented Child:

A person under the age of 18, who is a member of a community whose race, culture, ethnicity, disability status, or low-income socioeconomic status is disproportionately encountered, engaged or identified in the child welfare system as compared to the representation in the state's total child population, as determined on an annual basis by the commissioner.



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What Cases Apply

All Child Protection



Child Welfare cases



Cases that fall under 260C

*Awaiting final definitions to be clear on what cases apply to MAAFPACWDA

COUNTY IMPACTS

Operations and Compliance

- Moves from reasonable efforts to active efforts for almost all CP cases
- Increased staffing needs and training demands
 - Requires more intensive case work intervention/time with families
 - Recommended caseloads of 1:5 or 1:8
 - New safety plan requirements
 - If case opened for neglect (60% of CP cases are generally considered neglect), safety plan must incorporate economic services and supports
- New data collection/reporting requirements including case reviews
 - Performance monitoring will require dedicated staffing (data analysis)



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COMPLIANCE AND REPORTING

Currently law states:

Each responsible social service agency shall conduct a review of all child welfare cases for African American and other disproportionately represented child handled by the agency. Each social service agency shall create a summary report of trends identified, remediation plan, and an update on implementation of any previous remediation plans.



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CASE REVIEWS

- Current law indicates that all MAAFPACWDA eligible cases (approximately 90%+ of all CP cases) will need a case review.
 - Case reviews include approximately 20 quantitative, 5 qualitative and 2 summary data elements that SSIS is currently not capable of producing.
- If nothing changes this legislative session, it will require adding additional FTEs to complete case reviews, pull SSIS reports, hand count information, synthesize information into a report, and complete remediation plans.



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Case Review Data Points

Case reviews must include:

- Number of African American and disproportionately represented children in the county child welfare system
- Number and sources of maltreatment reports received, and reports screened in for investigation of family assessment including race of children, parents/custodians involved in each report
- Number and race of children whose parents/custodians are referred to community-based, culturally appropriate, strength-based or trauma informed services
- Number and race of children removed from their homes
- Number and race of children reunified
- Number and race of children whose parents were offered Family Group Decision Making (FGDM)
- Number and race of children whose parents received Parent Support Outreach program (PSOP)
- Number and race of children in foster care/out of home placement at the time that data is gathered
- Number and race of children who achieve permanency through transfer of permanent legal and physical custody to a relative or an adoption;
- Number and race of children who are under guardianship of commissioner or awaiting permanency decision;

Case Reviews Must Also:

- Identify barriers to reunifying children with their families
- Identify the family conditions that led to the out of home placement
- Identify any barriers to accessing culturally informed mental health or substance use disorder treatment services for the parents or children
- Document efforts to identify father and maternal and paternal relatives and to provide services to custodial and noncustodial fathers, if appropriate
- Document and summarize court reviews of active efforts
- Any social services agency that has a case review showing disproportionality and disparities in child welfare outcomes for African American and other disproportionately represented children and families, compared to the agency's overall outcomes, must include in the case review summary a remediation plan with measurable outcomes to identify, address, and reduce the factors that led to the disproportionality and disparities in the agency's child welfare outcomes.
- Remediation plan shall also include information about how responsible social service agency will achieve and document trauma-informed, positive child well-being outcomes through remediation efforts.



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Resource Needs

Fiscal resources are needed for counties to successfully implement MAAFPACWDA:

- Staff to support active effort requirements /more intensive case work
- Staff to support case reviews and reporting requirements
- Culturally specific service array
- Economic needs (e.g., transportation)



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2026 County Legislation

Priorities for MICA, AMC and MACSSA:

- State responsibility for case reviews
- Funding for counties for services and staffing (active efforts, culturally specific services, economic or concrete needs for families and prevention services to prevent involvement with formal child welfare system)
- Placeholder for statewide workgroup recommendations



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STATEWIDE WORKGROUP PRELIMINARY RECOMMENDATIONS

Ten Preliminary
Recommendations:

DCYF should provide opportunities for feedback and ensure feedback loops occur.

DCYF should take specific actions to ensure consistent statewide implementation.

DCYF should address data and technology needs.

The Statewide Working Group should have clearer roles and expectations.

Case and compliance review requirements should be clarified and streamlined.

More counties should participate in the Phase-in Program, and DCYF should develop resources.

County agency partnership with families to keep children safely at home should be emphasized.

County employee conduct requirements under MAAFPCWDA should be revised.

Statutory revisions should be made to clarify ambiguity, resolve conflicts and account for local practice implications.

More training and practice guidance for judges, attorneys, law enforcement and guardian ad litem should be developed.



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Moving Forward: Statewide Workgroup Implementation Phase

Four Implementation Action Teams:

- Case Review
- County Readiness and Implementation
- Policy, Compliance and Accountability
- Workforce Sustainability and Training

Statewide Implementation Plan and Best Practices Report due: September 2026



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Thank you

QUESTIONS



Policy Discussion #1 – Part 2

MAAFCPDWA

Amanda Larson (Sherburne)

Michelle Miller (Wright)

MINNESOTA AFRICAN AMERICAN FAMILY PRESERVATION AND CHILD WELFARE DISPROPORTIONALITY ACT

*How Sherburne and Wright Counties Prepare
for Implementation*



At Capitol, lawmakers strive for child-protection policies that keep African American families intact



Rep. Esther Agbaje, DFL-Minneapolis, speaks about her bill during a Minnesota House Judiciary and Put concerning the African American Family Preservation Act, also known as Layla Jackson Law, at the State April 9. 📍 Nicole Neri for MPR News

[Local News](#)

New law aims to curb racial disparities in child welfare system, keep families together

By [Caroline Cummings](#)

July 10, 2024 / 8:17 PM CDT / CBS Minnesota

[Add CBS News on Google](#)

ST. PAUL, Minn. — A new law that passed with broad bipartisan support aims to curb the racial disparities in the child welfare system

POLITICS

Judge strikes down rollout of Minnesota law aimed at protecting Black families

The legality of the Minnesota African American Family Preservation and Child Welfare Disproportionality Act is being called into question.

By **Jeff Day**

The Minnesota Star Tribune

DECEMBER 13, 2025 AT 12:44PM

'THE ACT' IMPLEMENTATION

- **Reasonable Efforts vs Active Efforts**
 - **Reasonable Efforts** are doing what is practical, **Active Efforts** are providing a higher level of engagement and commitment
 - ICWA incorporates Active Efforts
 - **Reasonable:** Provide a family a list of therapists in the community
 - **Active:** sitting down with a family, reviewing the list of therapists, calling providers on the list, providing transportation to and from appointments
 - **Reasonable:** Asking for a list of relative and kin supports
 - **Active:** Getting a list, connecting with family members, holding a FGDM meeting
- **Current practice in Sherburne & Wright**
 - Hybrid; but more aligned towards those of Active Efforts
 - Best practices are at the forefront and expected by agency leadership, Bench and GAL

'THE ACT' IMPLEMENTATION

- **Case Reviews**

- **Under the Act:**

- Ensure Active Efforts were made to prevent removal and support reunification
 - Ensure that culturally appropriate services were offered and utilized
 - Ensure bias did not influence decisions and outcomes
 - Ensure placement preference was prioritized based on the request of the family, child, relatives and/or Kin
 - Ensure documentation captures all that is required

- **Currently case reviews are done by DCYF through Child and Family Services Reviews (CFSR) on Child Protection cases.**

- **Counties do not have the staffing resources or technology to provide the quality assurance that is required under The Act**

- **Sherburne does internal case reviews but are geared towards individualized goals to sustain a strong practice or to identify specific areas of growth.**

'THE ACT' IMPLEMENTATION

- **Culturally Appropriate Services**

- Reflective of how the individual identifies
- Parenting programs that aim to focus on families identified culture, spiritual practices, historical traumas, holistic approaches, imbedded within the specific communities
- Services are available and accessible.
- Mentorship programs (Parents as Mentors)
- Family Resource Centers

- **Cultural Liaison Services**

- Bridge gap between the agency and clients

EXISTING PRACTICES

WRIGHT'S STRONG COMMITMENT TO KEEPING FAMILIES TOGETHER



PSOP

Family Home
Visiting (PH)

Family Resource
Center

Outreach
(Adult & Child)

Therapeutic &
Skills Services

Family Group
Decision
Making/Rapid
Response

Relative Search

Cultural Liaison

Parent Mentor
(2026)

Navigating Hope

THE SPIRIT OF THE LAW

- Safety First, Not Checklists
 - The Act implementation must honor true child safety and family preservation, not just technical compliance
 - Utilizing rigorous safety planning and practice, authentic family engagement and professional judgement
 - Checklist-type practice undermine safety and outcomes

“Compliance does not equal safety – quality practice does”

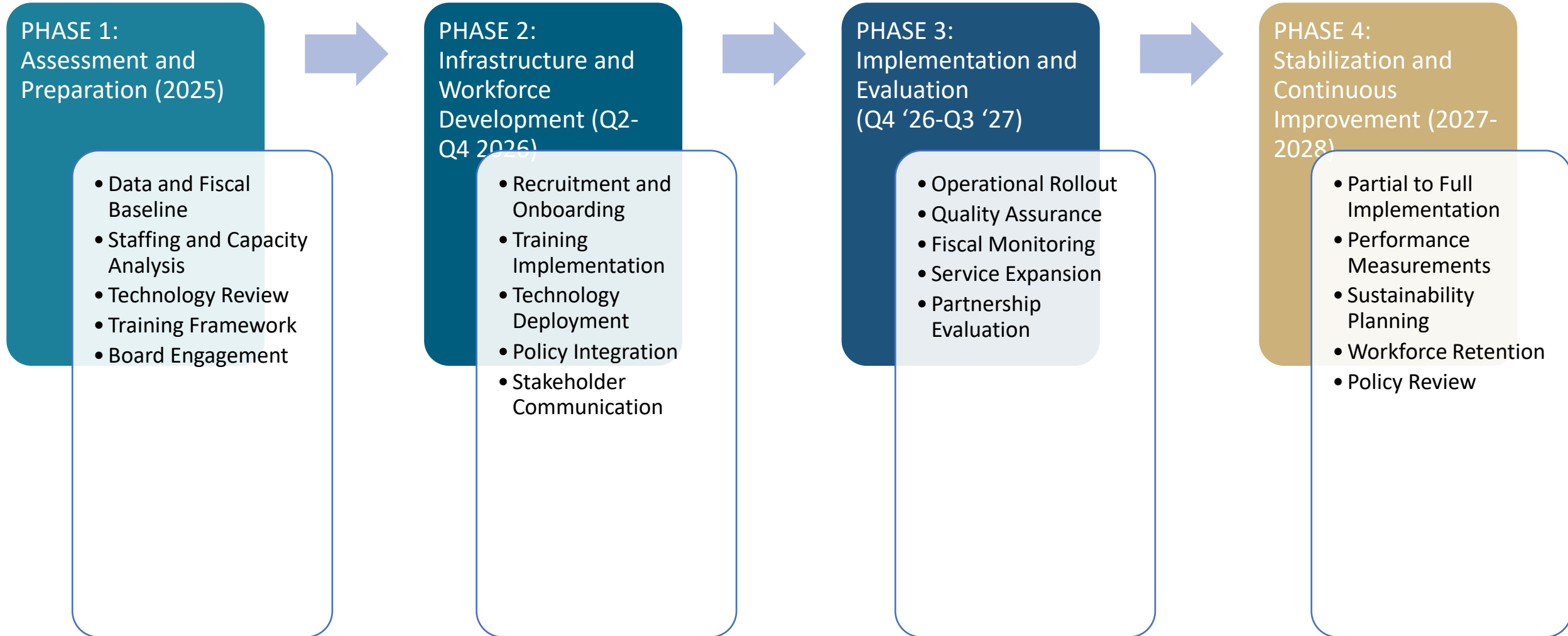
EXISTING PRACTICES

SHERBURNE'S STRONG COMMITMENT TO KEEPING FAMILIES TOGETHER

- Family Group Decision Making
- Relative Search
- Post-Permanency Support
- Family Resources Centers
- Pre Placement Screening
- Therapeutic Services Unit (TSU)
- PSOP
- Signs of Safety Model



OPTION 1: PHASE IN OPTION




OPTION 2: FULL IMPLEMENTATION

- Increase internal staff (clinical staff) for direct client work
- Contract out services to provide intensive hands-on, culturally appropriate services
- Provide all qualifying cases with Active Efforts
- Documentation will be very basic
- Case reviews will be done by newly hired case aides
- Case plans and court reports will be minimal
- Rely heavily on FGDM to hand off tasks to family and Kin
- Will likely be out of compliance with timelines case plans and court reports
- “All hands-on deck” – likely pulling staff from other areas; impacts to safety, performance, compliance, and/or reimbursements.

OPTION 3: HYBRID

***THIS OPTION IS PREMISED UPON SHIFTING THE CASE REVIEW TO DCYF AND COUNTIES HAVING ADEQUATE STAFFING, TRAINING AND GUIDANCE**





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Michelle Miller
Wright County Child & Family Services Manager
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LUNCH

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Legislative Panel

Technology Modernization

Dan Jensen (Olmsted)

2026 Annual Legislative Forum



MINNESOTA SYSTEMS MODERNIZATION STRATEGY

JANUARY 29, 2026

Through State Local
Partnerships We Will
Advance Systems
Modernization To Better
Support our Clients

STATE TECHNOLOGY SYSTEMS: EXAMPLES

MAXIS 1989

Public Assistance Eligibility (*12 distinct programs*)
Health Care Eligibility (*5+ distinct programs*)

METS 2013

Minnesota Eligibility Technology System
Health Care Eligibility

MEC² 2007

Child Care Assistance Program (CCAP) Delivery

MMIS 1994

MN Health Care Program Payment Processing
(*Claims & Capitation Payments*)

PRISM 1997

MN Child Support Enforcement Program.

SSIS 1994

Case Records for Social Services Program Clients

MODERNIZATION STRATEGY

Ongoing Requirements

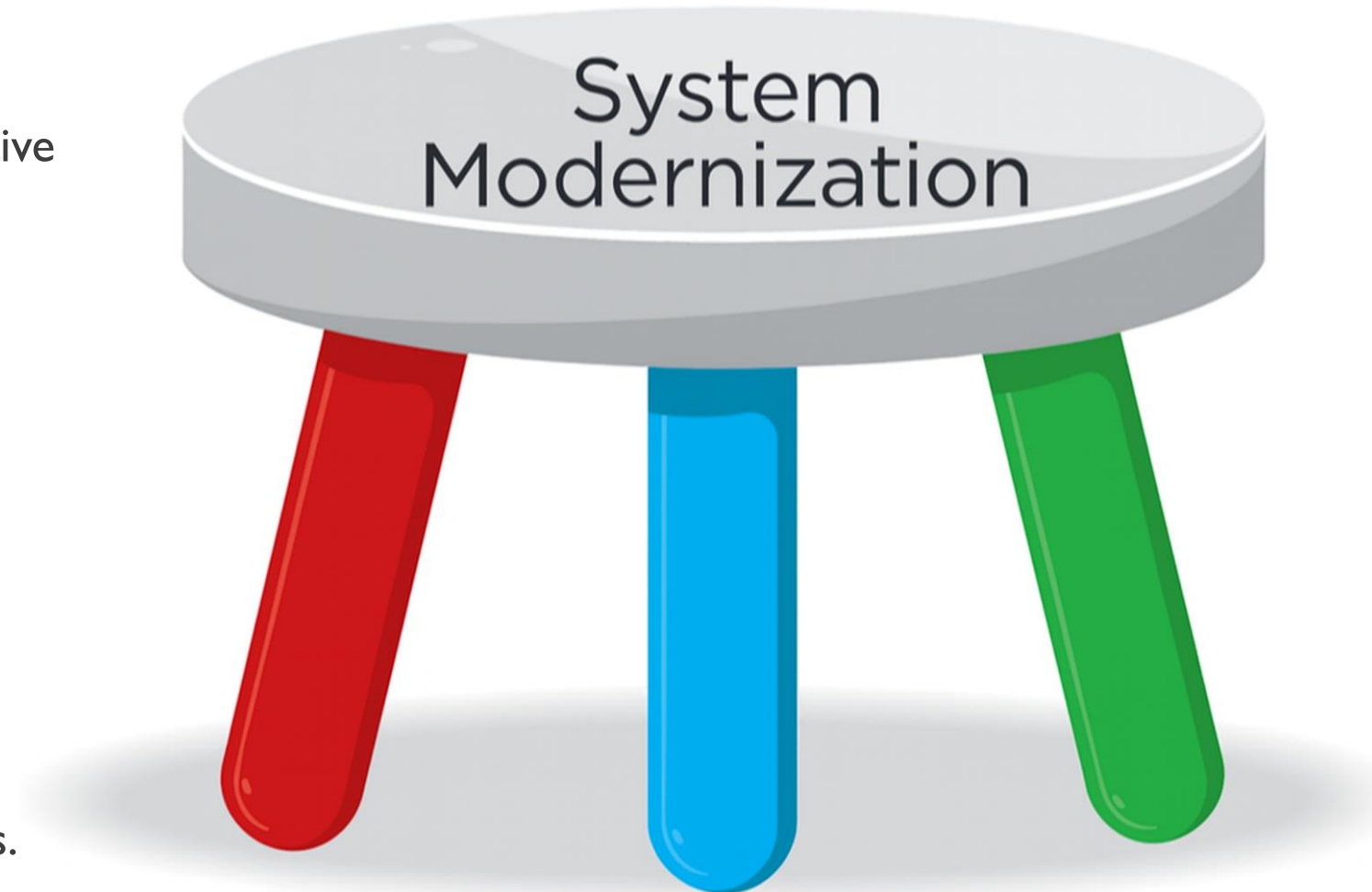
System maintenance, federal and state legislative changes.

Immediate Bridging Relief

Tools to reduce errors, speed application processing, & improve program integrity.

Long Term Modernization

Integrated platform with centralized core functions rather than replacing siloed systems.



ONGOING REQUIREMENTS

- **Work Number** fully funded
- **Asset Verification** and Work Number data in processing applications
- **Fixing several major systems issues:**
 - METS 2nd pregnancy;
 - METS system renewal self-service
 - MNBen to include MAXIS Renewals
 - Fix outdated state notices
 - MAXIS Ex-Parte automation
 - MAXIS FIAT work arounds.
- **Review & modify policies** through lens of operations and modernization to support better systems while retaining MN program approaches
- **State policies and procedures into Data Warehouse**



System
Modernization

BRIDGING RELIEF

BlueZone Scripting Collaborative

- 21 Counties with Scripting for PRISM & MAXIS

Graphical Overlay to Green Screens

- Rocket Modern Experience Hennepin pilot

Artificial Intelligence

- Tipco EVA | Northwoods | Washington building

Data Depot Collaborative (12 charter counties)

- Common local architecture
- Shared tools to support systems gaps (program integrity, Emergency Assistance, management, workloads, Burials)

System Modernization

Facility Name	Residence Address	County	# Payments	Amount Paid	Licensed Beds	GRH Beds	Occ. OC	Occ. Non OC	Occ Total	Entry Date
A AND A HOME - LAKE HOUSE	3203 LAKE ST NW, ROCHESTER, MN, 55901-8480	55	100	28,197.78	4	4	1		1	7/24/2018
ABDULLE AMINA ALI	3450 KENOSHA DR NW, APT 104, ROCHESTER, MN, 55901-4330	55	7	1,459.00	2	2		1	1	12/13/2024
ADAPITA-55TH ST	2509 55TH ST NW, ROCHESTER, MN, 55901-2270	55	268	60,344.96	13	13	3	2	5	5/25/2021
ADAPITA-FOLWELL FLATS	2020 5TH ST SW, ROCHESTER, MN, 55902-0842	55	759	288,249.30	22	22	7	5	12	3/24/1998
ADAPITA-JUDD HOUSE	3741 MANORWOODS DR NW, ROCHESTER, MN, 55901-7573	55	156	61,201.54	4	4	2	1	3	1/14/2019
ADAPITA-WING HOUSE MANOR	4628 MANOR PARK DR NW, ROCHESTER, MN, 55901-8465	55	66	43,902.37	4	4				2/17/2017
ADVANCED ONE CARE INC	4552 MANOR BROOK DR NW, ROCHESTER, MN, 55901-3183	55	9	2,164.26	5	5				9/25/2020
AHMED NUR AYBAKAR	2108 45TH ST NW, ROCHESTER, MN, 55901-0407	55	49	62,229.94	4	4				4/18/2022

Facility Name: All

476
Number of facilities

198
Number of Vendors (Payees)

418
Number of Community Settings (addresses)

Vendor # Vendor Address Active Since Rate 1 Rate 2 Rate 3 Per Diem R1 Per Diem R2 Per Diem R3

Exempt Reason

LTH Supported Housing	1638
Board and Lodge with Special Services	48
Banked Beds / Other	112
Total	1798

DHS License Type

Adult Foster Care	291
Other DHS License	7
No DHS License	179
Invalid License Type	9

Number of Facilities with these Disability Services:

Chemical Dependency	214
Developmental Disability	278
Elderly Illness	37
Mental Disability	246
Physical Injury	71
Deaf Blind or none	10
Disability - none	3

Occupancy Data as of 9/7/2025

723
Occupancy - County

116
Occupancy - Non County

839
Total Occupancy

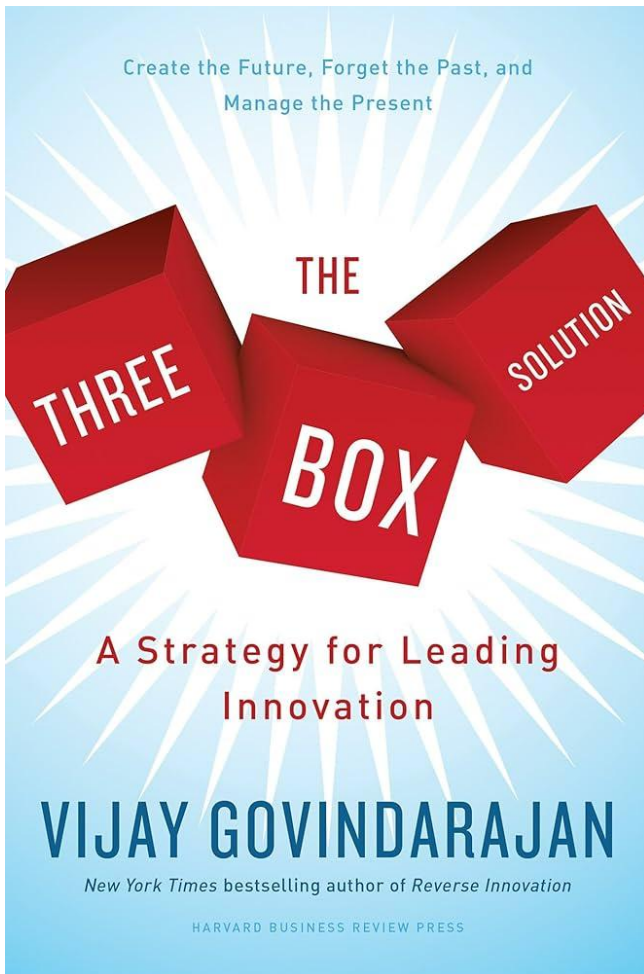
114
Family Foster Care

Percent occupied

25.89

0.00 100.00

LONG TERM MODERNIZATION VISION AND APPROACH



Develop Focused Modernization Team

Staff tasked with managing the present and creating the future. The present takes priority, and the future work languishes.

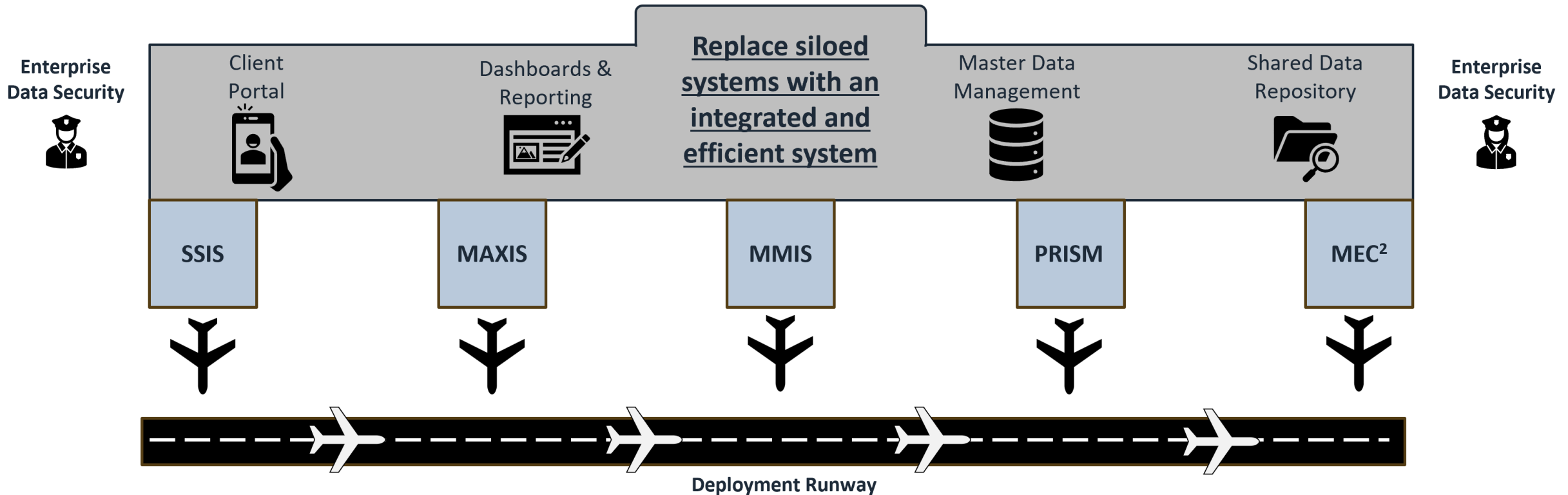
Look for Innovative Purchasing Approaches

State/ local partnership with environment where *vendors compete to bring their best integrated platform approach for Minnesota.*



LONG TERM MODERNIZATION VISION AND APPROACH

INTEGRATED PLATFORM WITH CENTRALIZED CORE FUNCTIONS





Legislative Panel

2026 Annual Legislative Forum



Rep. Bryan Lawrence
District 27B



Rep. Paul Novotny
District 30B



Rep. Dan Wolgamott
District 14B



Sen. Eric Lucero
District 30

2026 Annual Legislative Forum



Break



Policy Discussion #2

HR1 Implementation

Barb Dahl (Scott)

Melissa Huberty (Stearns)

Dan Jensen (Olmsted)

Linnea Mirsch (St. Louis)

2026 Annual Legislative Forum



HEALTH AND HUMAN SERVICES FISCAL PRESSURES AND LEGISLATIVE RESPONSE

JANUARY 29, 2026



AGENDA

Brief Overview:

- Fraud
- Federal Funding Cuts
- HRI SNAP
- HR I Medicaid
- Long Term Services and Supports

Panel and Group Discussion

MERGING OF FOUR CRISES

- **Human Services System that is Unsustainable**
- **State Budget Deficit Looming**
- **Federal Funding Cuts**
- **Allegations of Provider Fraud in the State of Minnesota**



Headlines

The Minnesota Star Tribune

Audit finds widespread problems in DHS oversight of behavioral health grants

Disability services providers accuse state of leaving clients vulnerable amid fraud crackdown

Trump administration says it's withholding social safety net money from 5 states over fraud concerns

TwinCities.com PIONEER PRESS

Crackdown on social service providers leaves some without housing assistance



Jury convicts five of seven defendants in the Feeding Our Future trial

Making Sense of the Headlines

Feeding Our Future

- Pandemic-era relief program
- No county involvement or responsibility
- **Counties had no role in this program and no role in fraud prevention or investigation**

Medical Assistance-Funded Programs

- Services under Minnesota's approved Medicaid-Medical Assistance (MA) plan
- County role in MA eligibility determination;
- Case management and service authorization for Home and Community Based Services (HCBS)
- Providers enroll with the State; State payments and oversight
- **Counties have a limited role in identifying and reporting suspicious activities.**

Child Care Assistance Program

- Existing program with fraud concerns raised in social media
- County role in eligibility determination, service authorization, and billing
- County has shared role with state in program integrity
- **Counties have a supporting role in fraud investigation and identification and defined roles with state fraud investigation.**

MEDICAL ASSISTANCE PROGRAMS

- Medical Assistance (MA) is Minnesota's largest health care program and serves children and families, pregnant women, adults without children, seniors and people who are blind or have a disability. (State/federal funds)
- The county determines MA eligibility, but payments for covered **state plan services** to providers are through the state or health plans. (State/federal funds)
- MA Home and Community Based (**HCBS**) **waiver services** are for people with MA, with a disability, who have long-term care needs that can be met in the community. (State/federal funds)

Home and Community Based Waiver Services Roles and Responsibilities

County

- MnCHOICES assessment to identify service needs
- Enter service authorizations in Medicaid Management Information System (MMIS)
- Ongoing case management (County and contracted): service plan, refer, link, coordinate, and monitor via connection with person served – at least semi-annual visits
- Review and approval of Community First Services and Support (CFSS) plans

Providers

- Provide services, according to Department of Human Services (DHS) rules and regulations
- Bill MMIS against service authorizations

State

- Payment/reimbursement for services, including payment review
- Enrollment of Medical Assistance and HCBS providers
- Provider licensing
- Provider level quality assurance
- Maltreatment and licensing investigations
- Fraud investigations

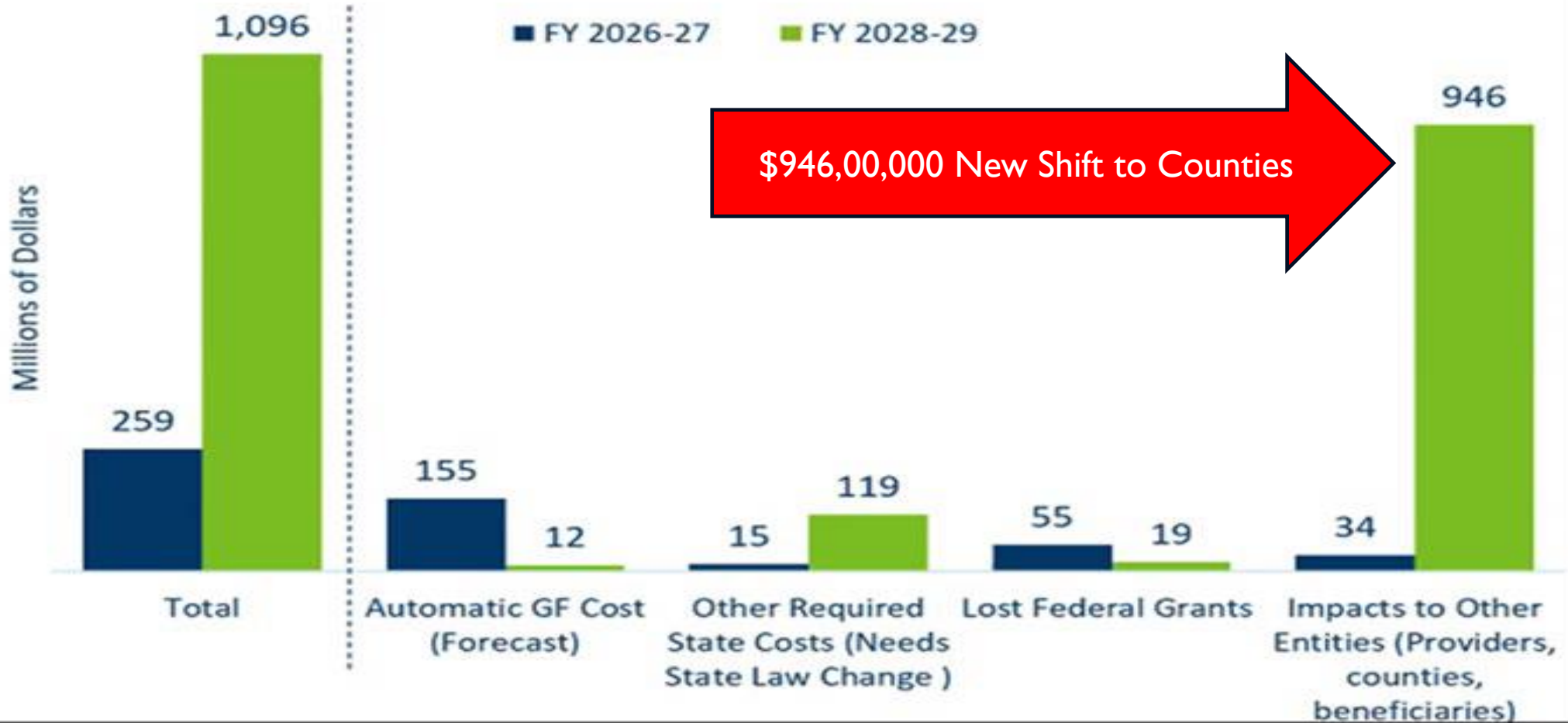
Federal Funding Threats to Minnesota

What Could Change	Date	Current Status	Direct County Budget Impact
Child Care and Development Fund (CCDF)	1.8.26	Legal Action Taken	Yes
Temporary Assistance for Needy Families (TANF):	1.8.26	Legal Action Taken	Yes
Social Services Block Grant (SSBG)	1.8.26	Legal Action Taken	Yes
SNAP Pilot (Henn, Ramsey, Wash, Wright)	12.16.25	Legal Action Taken	(if unsuccessful could lose Admin)
USDA Freeze \$129 Million MN only (SNAP)	1.9.26	Legal Action Taken	Yes
\$2 Billion in Medicaid to be withheld from MN	1.7.26	Legal Action Taken	Unsure
SAMSHA Mental Health and Substance Grants Cut	1.14.26	White House Revised decision on 1.15.26	No
Federal Government to Freeze all Federal Funding to MN	1.13.26	Legal Action Expected	Yes
Federal Housing Grant Changes (HUD)	12.2025	Paused/Legal Action Expected	Services/Homeless Numbers

Disruption, Distraction, and Chaos to Operations and Planning

Preliminary Fiscal Estimates of Lost Federal Funding to State-Administered Programs

(Lost federal funds in millions of dollars)

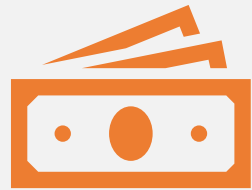


SNAP

What's Changing?	How?	When?
SNAP Administrative Cost Share	Reduces federal contribution from 50% to 25%, making states and counties liable for 75%	October 1, 2026
Expanded SNAP Work Requirements*	Expands the definition of "Able Bodied Adults Without Dependents (ABAWDs)" to include individuals up to age 64 (up from 54 currently) and individuals with children age 14 and up	Upon enactment Alaska and Hawaii may request "good-faith" waivers for implementation of expanded SNAP work requirements through December 1, 2028
SNAP Benefit Cost Share for States	Payment Error Rates (PER) below 6% - States have no cost share PER 6% - 7.99% - States pay 5% share PER 8% - 9.99% - States pay 10% share PER 10% or higher - States pay 15% share	October 1, 2027
SNAP-Ed Program	Eliminated (UofM Extension)	October 1, 2025

COLLABORATIVE LEGISLATIVE OPPORTUNITY

SNAP



COUNTIES SHALL NOT PAY MORE
THAN 50% OF THE
ADMINISTRATIVE COSTS



THE STATE SHALL ASSUME THE
FULL PAYMENT ERROR RATE
PENALTY

MEDICAID

What's Changing?	How?	When?
<p>More Frequent Medicaid Eligibility Redeterminations</p>	<p>States must conduct eligibility redeterminations at least every 6 months for Medicaid expansion population, rather than annually. Individuals receiving SSI benefits are exempt.</p>	<p>December 31, 2026</p>
<p>Medicaid Work Requirements</p>	<p>80/hour a month work, education or "community engagement" requirement for individuals aged 19 to 64 Tribes, fully disabled veterans, parents or caregivers with children age 13 and under or of disabled individuals, pregnant women, former foster youth, and those deemed "medically frail" or with special medical needs (including substance use disorder) are exempt. Individuals must demonstrate compliance with the work requirement for the month preceding enrollment</p>	<p>*Dec. 31, 2026 *HHS Secretary guidance to states by June 1, 2026. *States may request waivers to delay by 2 years</p>
<p>Limiting Retroactive Medicaid Enrollment</p>	<p>Limit retroactive Medicaid coverage from three months before the application date to one month before the application date for Medicaid expansion enrollees, and to two months for traditional Medicaid.</p>	<p>December 31, 2026</p>

MEDICAID



State is looking to take on Work Requirements-centralize with a contracted vendor




State has forecasted retro coverage or will need to make statute changes to align with federal (may impact hospital payments or affordability for residents)



State system modernization is needed

LONG TERM SERVICES AND SUPPORTS—MITIGATING STATE COST SHIFTS

2025 Legislative session established the Long-Term Services and Supports Advisory Council. MICA – 2, MACSSA – 2, AMC – 2



Tasked with recommendations to reduce cost growth in LTSS, to build greater efficiencies into the long-term care system, and to promote better outcomes for Minnesotans with long-term care needs. (\$177.5 Million)



Development of a steering committee and work groups in order to inform the Advisory Council and develop county led legislation (\$600 Million)

LONG TERM SERVICES AND SUPPORTS—MITIGATING STATE COST SHIFTS

What is in scope:

- Disability Waivers
- Aging/Elderly Waivers
- Nursing Facilities

Potential levers to bend the cost curve:

- Benefits
- Services
- Provider rates

LONG TERM SERVICES AND SUPPORTS—MITIGATING STATE COST SHIFTS

A steering committee and workgroups have been formed. Counties are well represented.

Workgroups are focusing on four categories of cost savings

- 1) Disability Waiver Rate System changes
- 2) Eligibility changes
- 3) Nursing Homes
- 4) Other changes: fees, recouping certain costs, strengthening program integrity mechanisms





MICA Legislative Platform

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Transportation

Amber Backhaus

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MICA Legislative Platform

Environment

Rachel Sosnowchik

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MICA Legislative Platform

Corrections & Public Safety

Emilio Lamba

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MICA Legislative Platform

Public Health & Human Services

Nancy Silesky

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HHS Priorities

State Funding for Counties to Modernize and Streamline HHS Programs and Technology

HHS Priorities

State Funding for Counties to Modernize and Streamline HHS Programs and Technology

Minnesota African American Family Preservation and Child Welfare Disproportionality Act (MAAFPCWDA)

- State Responsibility: Case Review
- County Resources:
 - Funding for additional staff to fulfill “active” efforts mission
 - Funding for prevention services (Family Resource Centers, etc.)
 - SSIS improvements

HHS Priorities

State Funding for Counties to Modernize and Streamline HHS Programs and Technology

Minnesota African American Family Preservation and Child Welfare Disproportionality Act (MAAFPCWDA)

- State Responsibility: Case Review
- County Resources:
 - Funding for additional staff to fulfill “active” efforts mission
 - Funding for prevention services (Family Resource Centers, etc.)
 - SSIS improvements

Unfunded Federal Mandates

- Medicaid
- SNAP

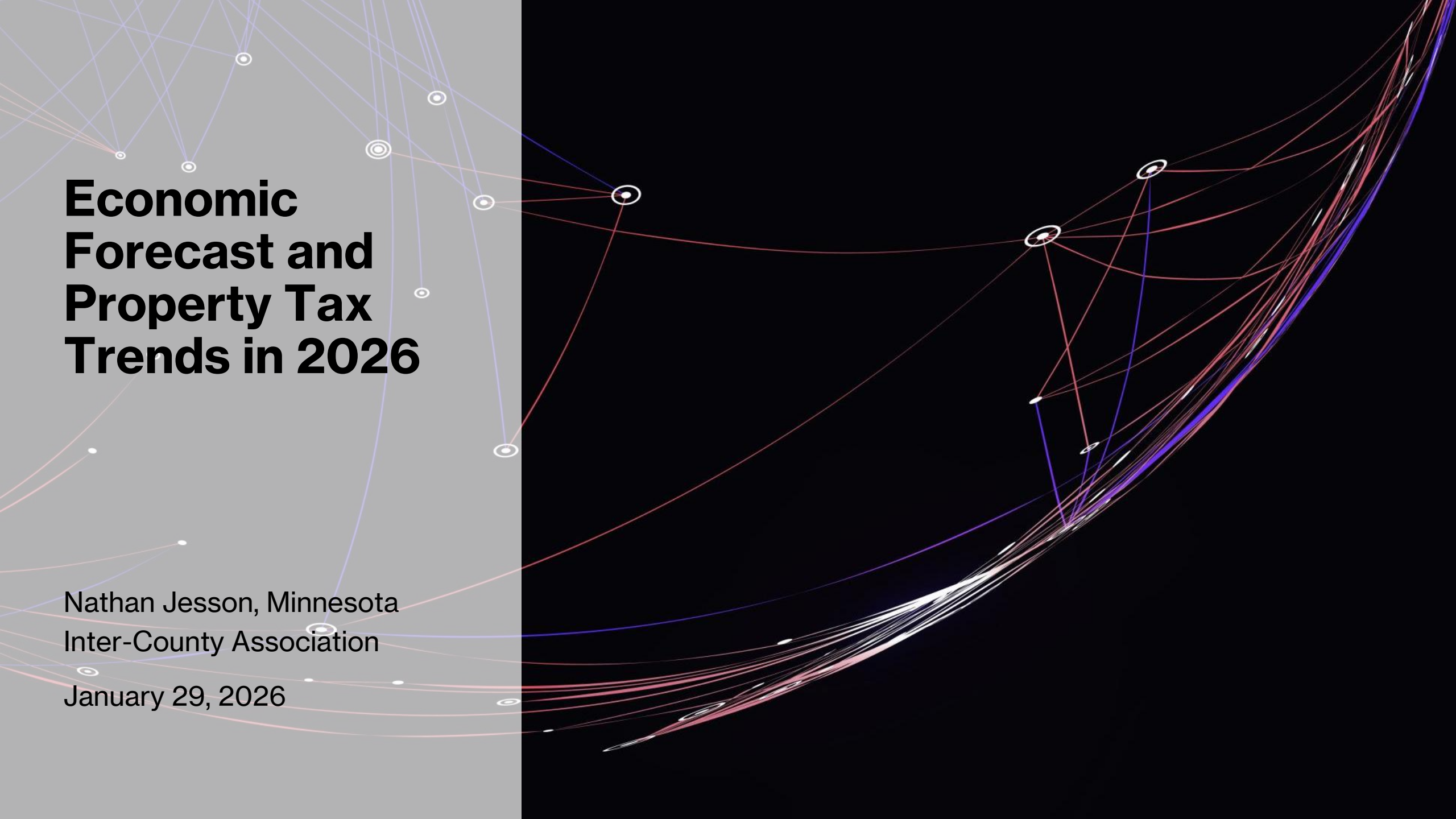


MICA Legislative Platform

Tax, Fiscal, HR, and Pensions

Nathan Jesson

2026 Annual Legislative Forum



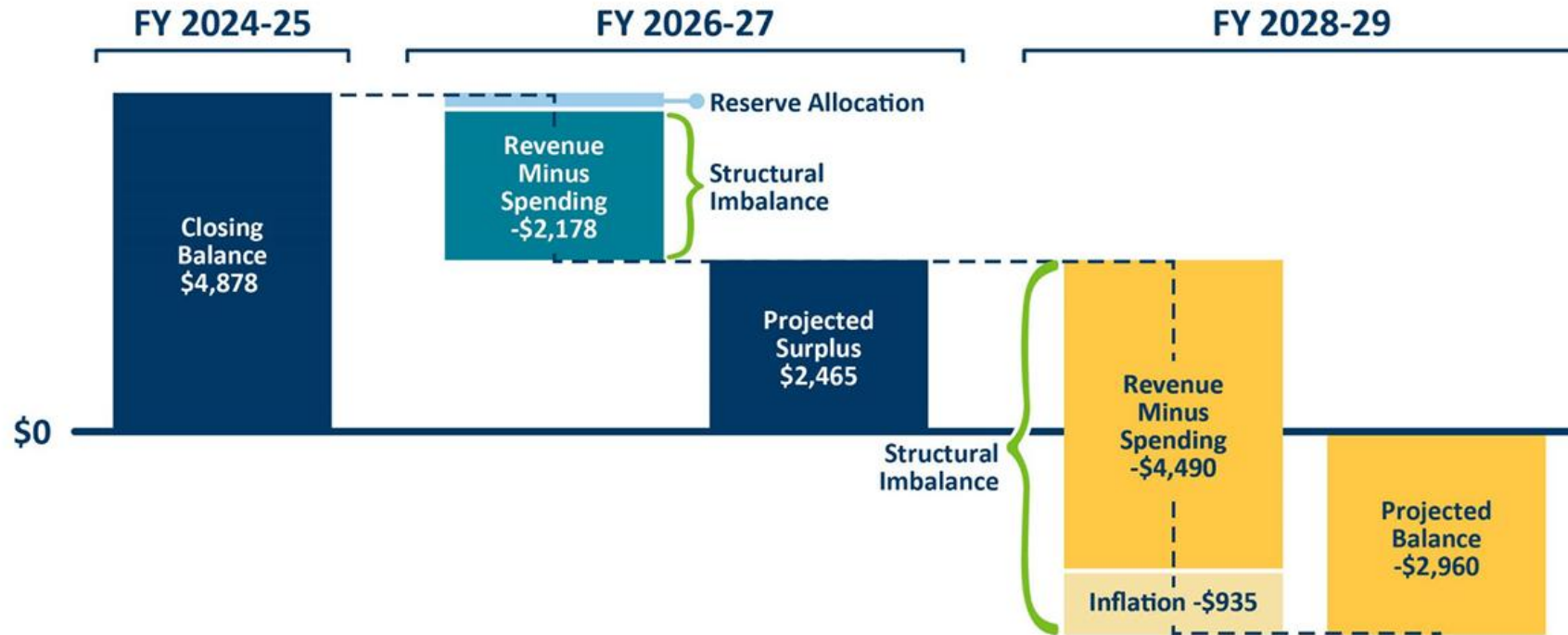
Economic Forecast and Property Tax Trends in 2026

Nathan Jesson, Minnesota
Inter-County Association

January 29, 2026

Fiscal Snapshot: Forecast Horizon FY 2024 through FY 2029

(\$ millions)

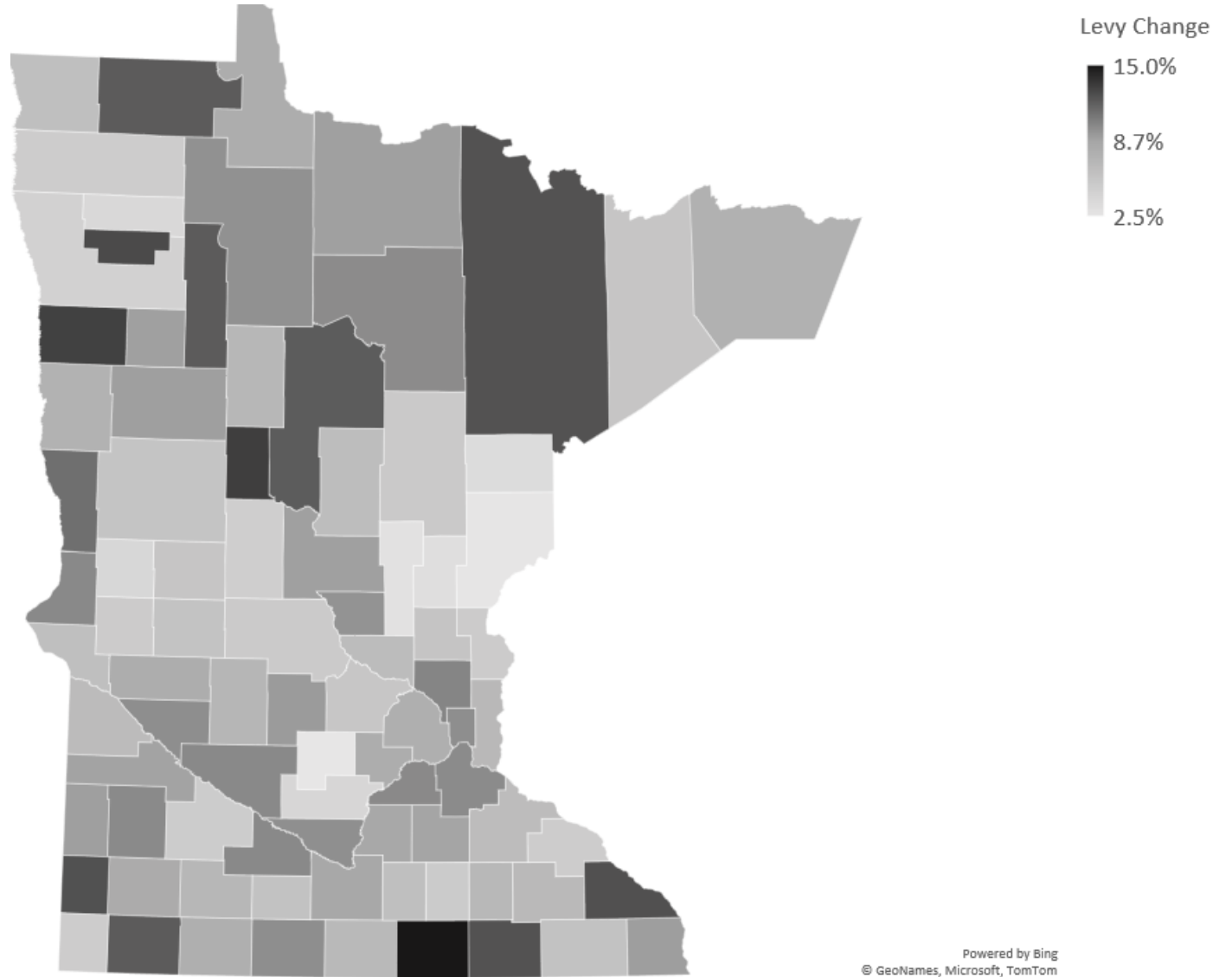


*Figures exclude FY 25 appropriations carryforward

Long Term Budget Outlook

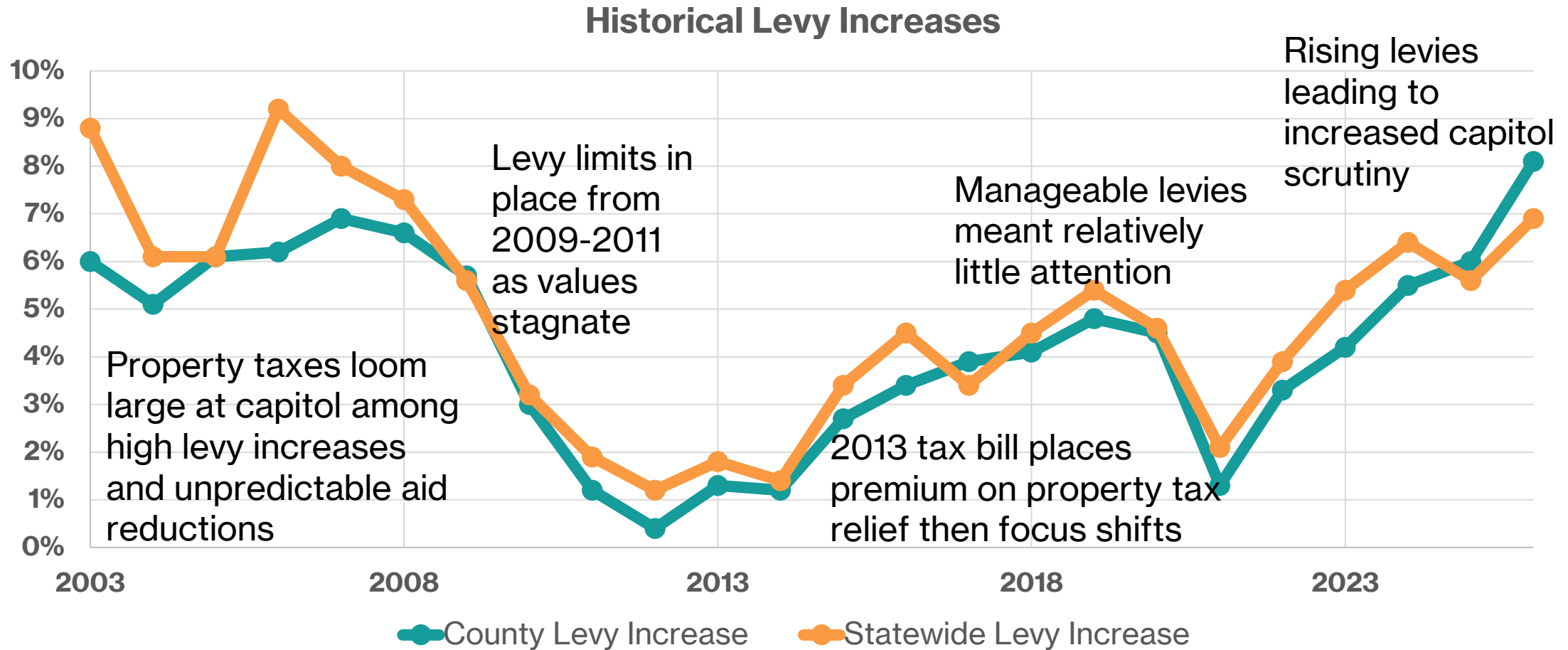
\$ in millions	FY 2026-27	FY 2028-29	Biennial Growth	Annualized % Growth
Forecast Revenues	\$66,262	\$67,787	\$1,525	1.2%
<i>Baseline Spending</i>	<i>68,440</i>	<i>72,277</i>	<i>3,837</i>	<i>2.8%</i>
<i>Discretionary Inflation</i>		<i>935</i>	<i>935</i>	
<i>Carryforward</i>	<i>1,859</i>		<i>(1,859)</i>	
Total Forecast Spending	70,299	73,212	2,913	2.1%
Structural Balance		\$(5,426)		
<i>Structural Balance Without Discretionary Inflation</i>		<i>\$(4,490)</i>		

2026 preliminary county property taxes



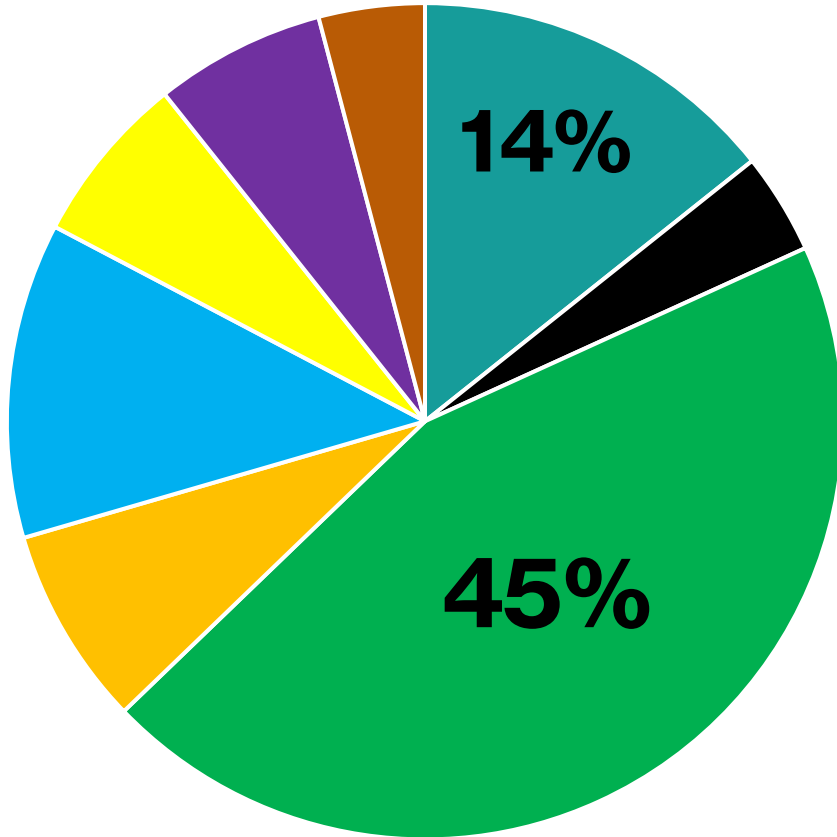
Statewide	8.1%
MICA Counties	8.4%
Non-MICA Counties	8%
7 County Metro	8.6%
Non Metro Counties	7.7%
Over 40k Population	8.4%
Under 40k Population	7.4%

Property Tax Levy Increases Over Time



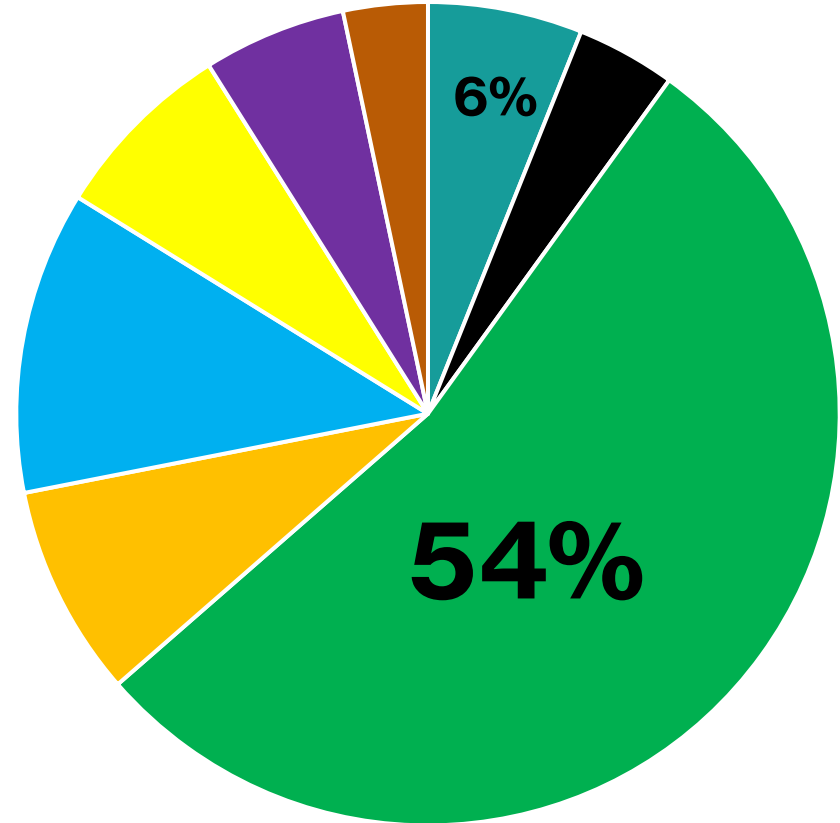
Local Net Tax Capacity Share

Statewide NTC Share



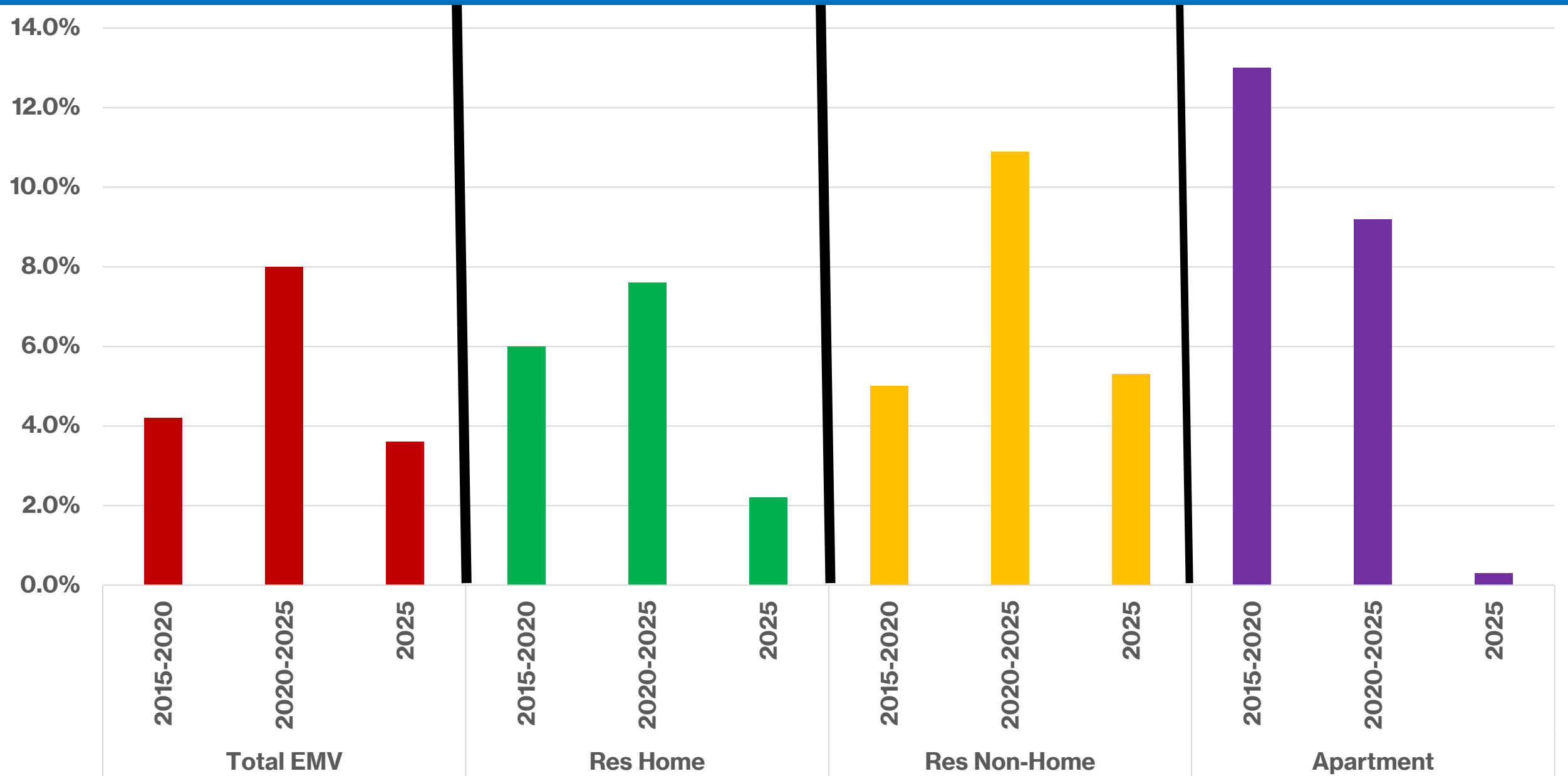
- Ag Land
- Res Homestead
- Commercial
- Apartment
- Cabins
- Res Non Homestead
- Industrial
- All Other

MICA Counties NTC Share

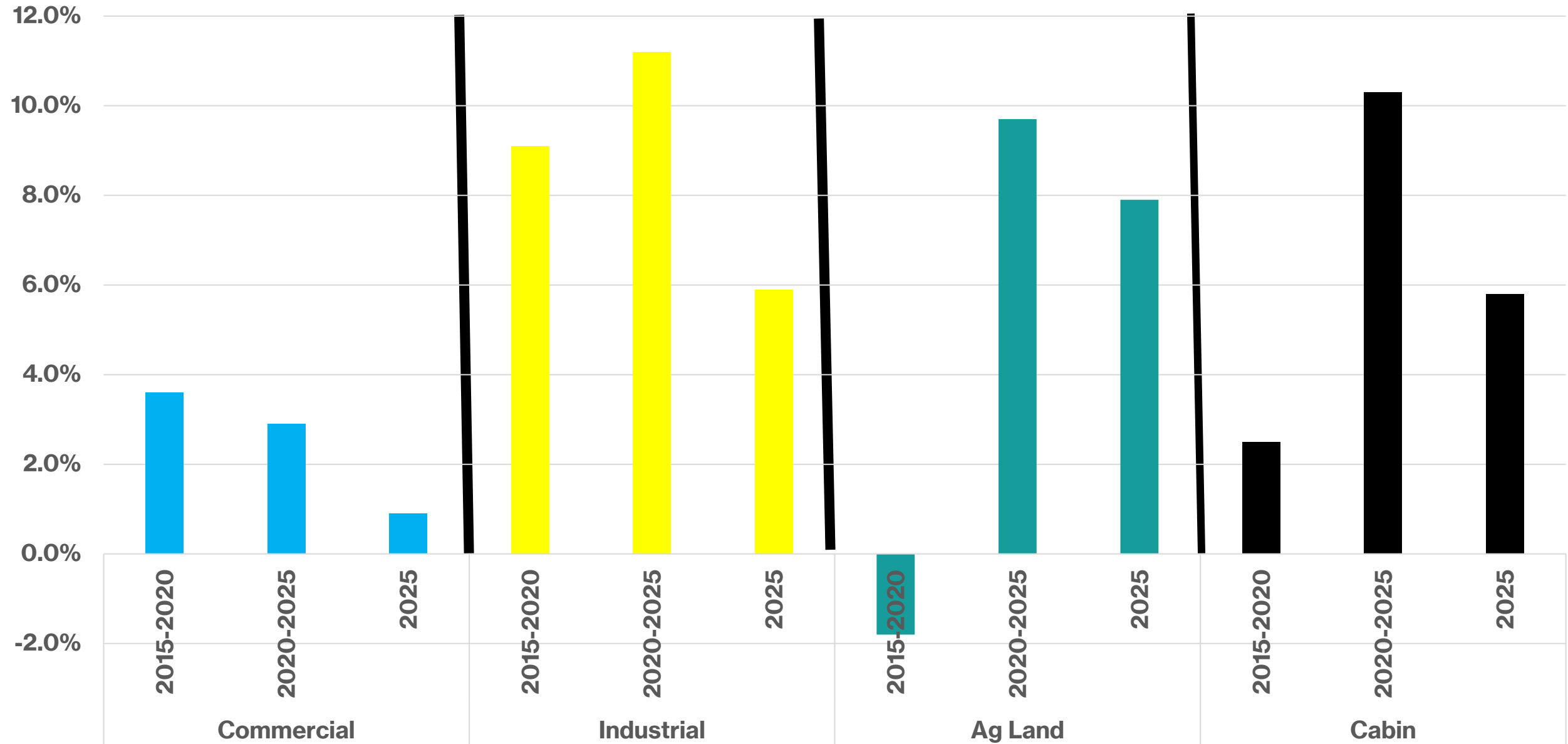


- Ag Land
- Res Homestead
- Commercial
- Apartment
- Cabins
- Res Non Homestead
- Industrial
- All Other

Value Changes Impacting Tax Shifts



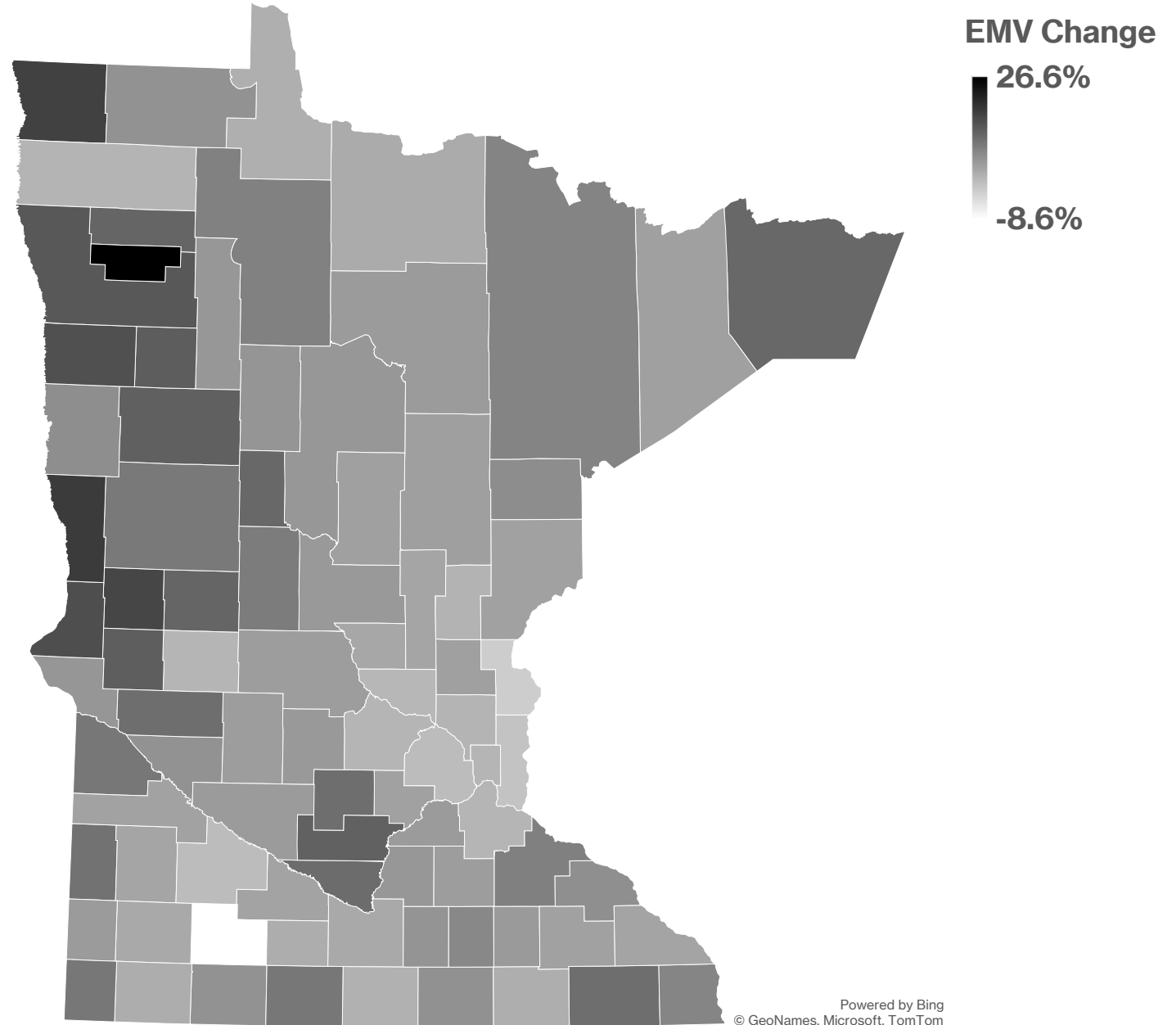
Value Changes Impacting Tax Shifts



2025 estimated market value growth

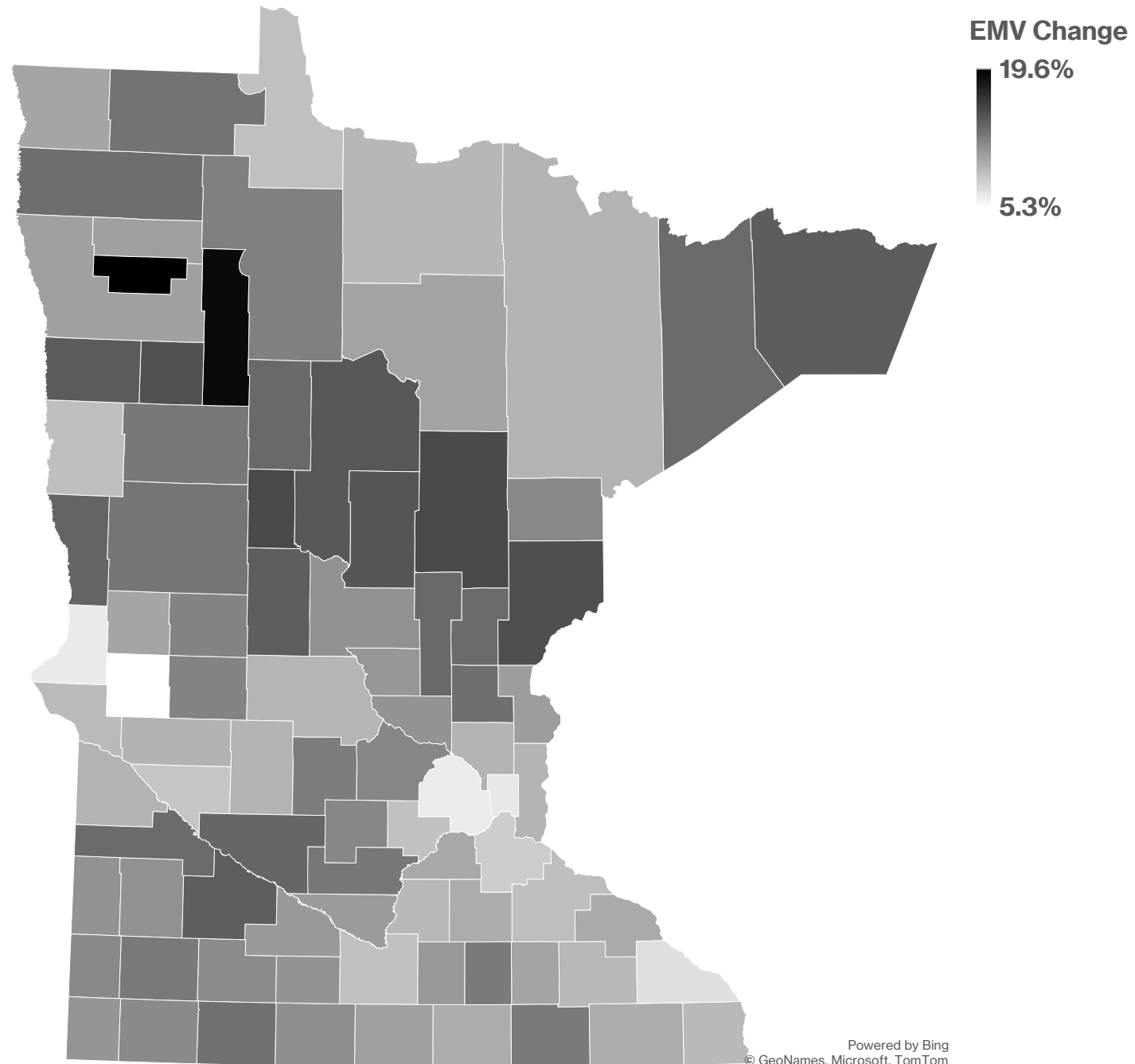
Statewide	3.6%
MICA Counties	3.1%
Non-MICA Counties	4%
7 County Metro	1.3%
Non Metro Counties	6.1%
Over 40k Population	2.4%
Under 40k Population	7.3%

2025 Estimated Market Value Changes



Avg Annual EMV Change 2020-2025

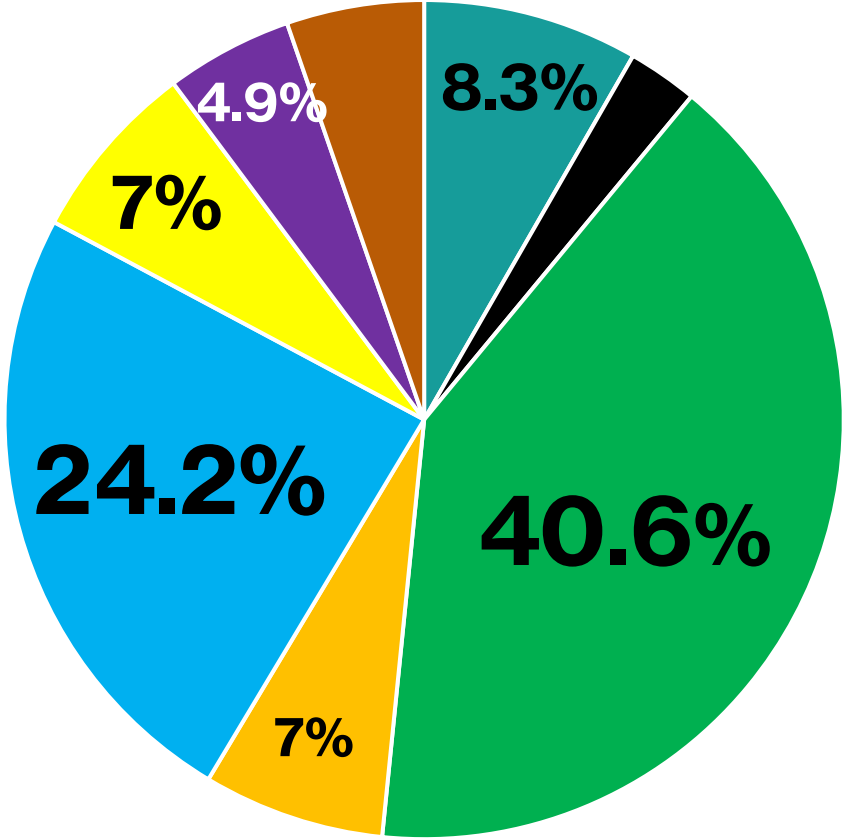
Average annual estimated market value growth 2020-2025



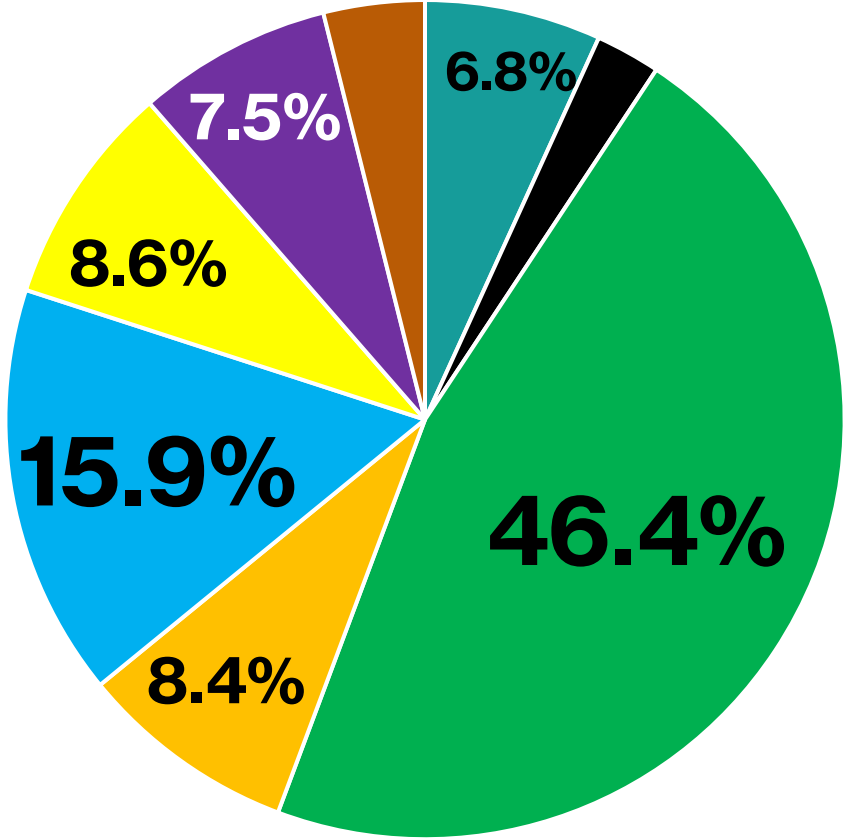
Statewide	9.3%
MICA Counties	9.8%
Non-MICA Counties	9%
7 County Metro	7.5%
Non Metro Counties	11.3%
Over 40k Population	8.4%
Under 40k Population	12%

Statewide net property tax by type

2014



2025

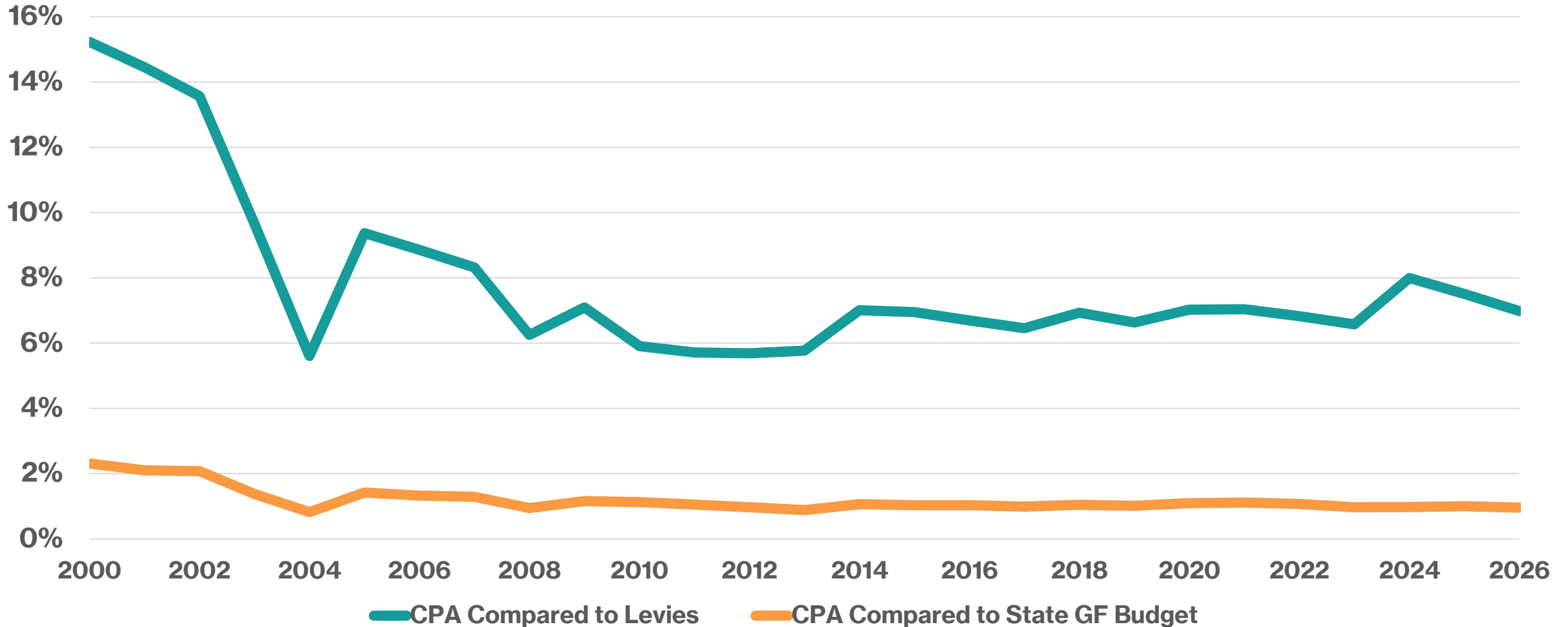


- Ag Land
- Res Homestead
- Commercial
- Apartment
- Cabins
- Res Non Homestead
- Industrial
- All Other

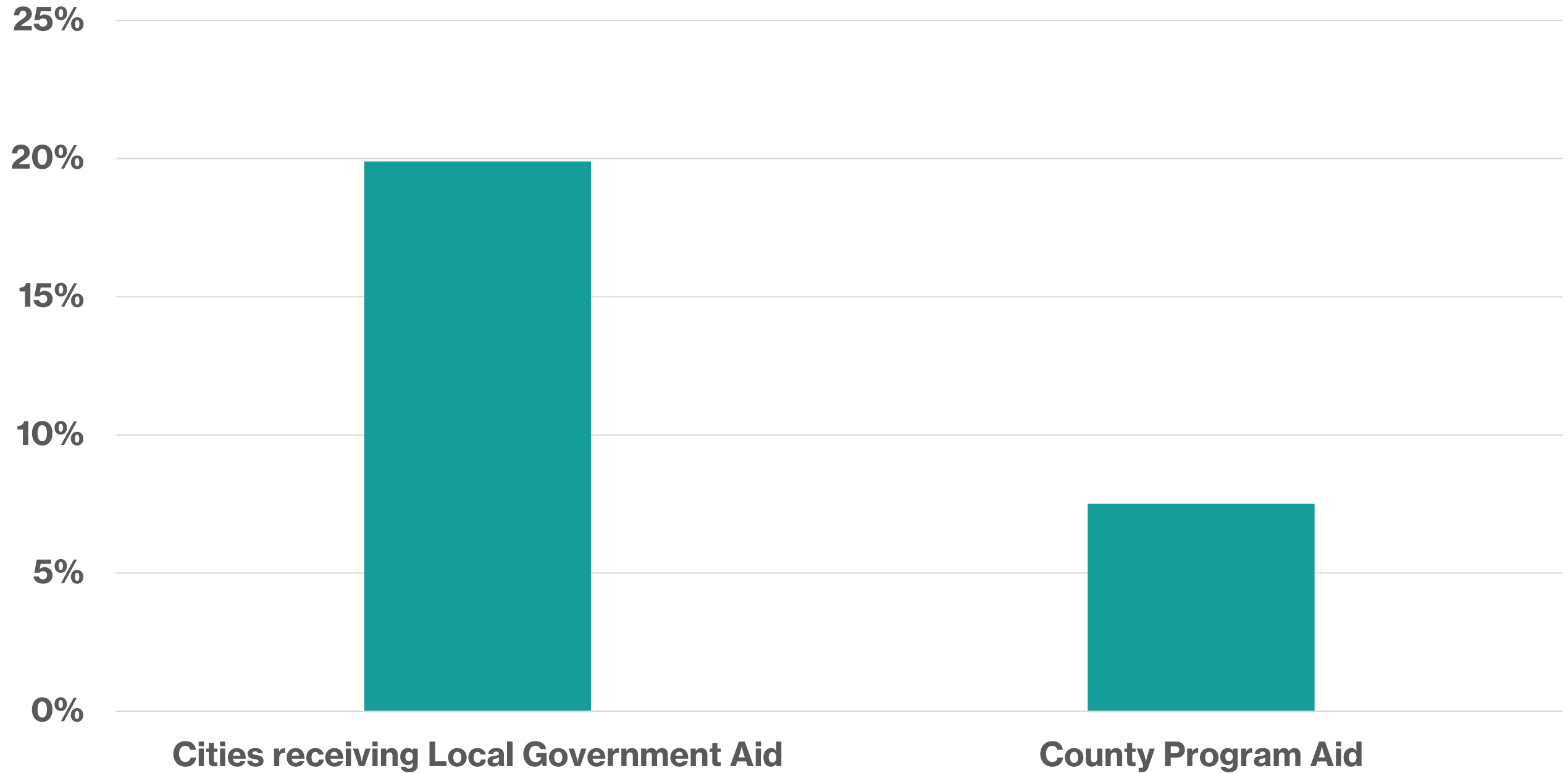
- Ag Land
- Res Homestead
- Commercial
- Apartment
- Cabins
- Res Non Homestead
- Industrial
- All Other

State aid flat while mandates increase

County Program Aid compared to levies and state general fund budget

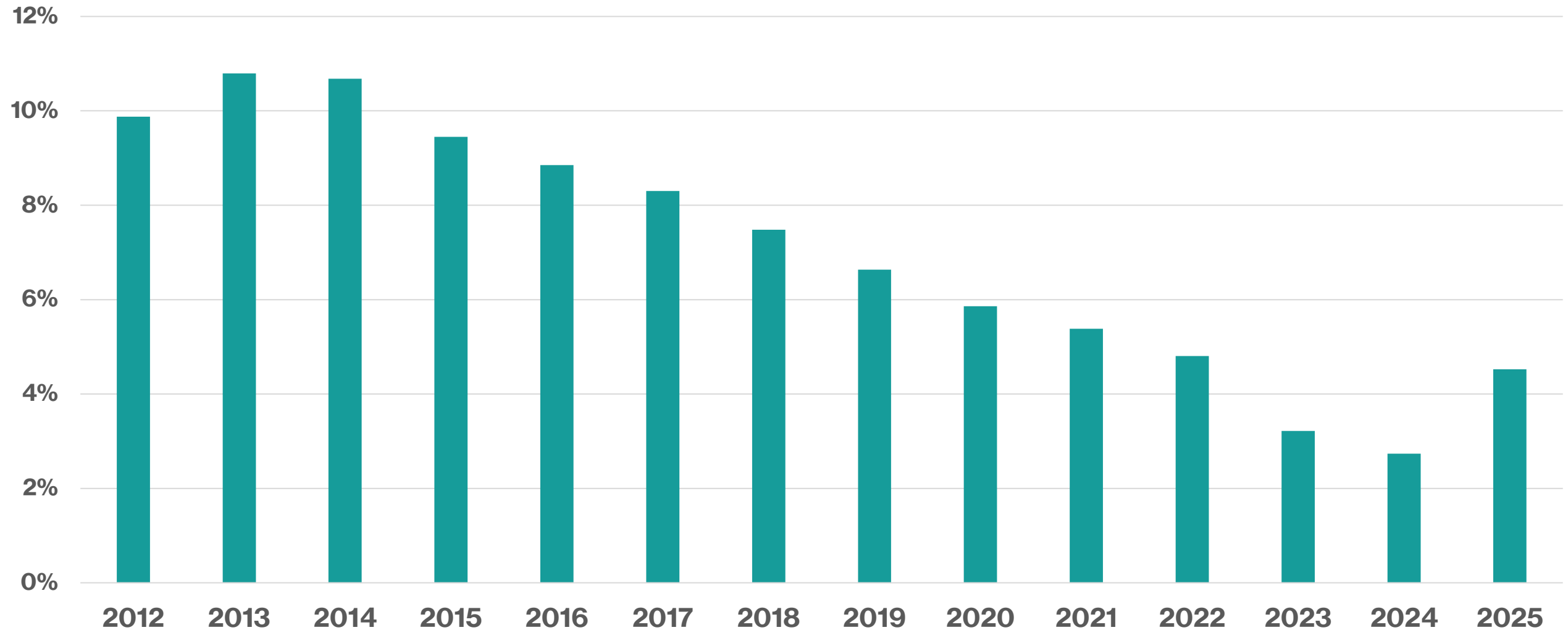


2026-State general purpose aids compared to levy totals



Homestead Market Value Exclusion

% of Homestead Value Excluded by Year



Property Tax Refunds



- Property tax refunds have been a tool the legislature has used
- Maximum refunds and income caps are indexed for inflation
- Increasing property tax refunds carries a hefty general fund cost
- 2023 bill impact was mostly temporary, less ongoing relief
- Small in comparison to 2013 changes

Talking Property Taxes at the Capitol cuts both ways

Potential positive outcomes:

- Reduced mandate pressure
- Increased state aids
- Higher property tax refunds
- A step toward possible reform

Potential negative outcomes:

- Levy limits
- Valuation freezes or caps
- Greater scrutiny of local government budgets

How to Talk Property Taxes at the Capitol

Acknowledge the magnitude of the increase

Emphasize the mandated scope of county services

Increased mandates and pressure from the state and federal government have contributed to property tax increases

Share stories about consequences of undermining local decision making



Break



Keynote

Julie Blaha

State Auditor

2026 Annual Legislative Forum



Closing Comments



Closing Comments

After-party starts in 3... 2...