



Julie Ring

How can we use this time of disruption--both COVID-19 and demands for racial equity--to disrupt how counties do things?

A Minnesota-in-the-post-pandemic-world interview

August 21, 2020

Click [HERE](#) to access the complete Zoom recording on YouTube of Minnesota Counties Executive Director Julie Ring's August 21, 2020, Civic Caucus interview."

Background. 01:40

The [Association of Minnesota Counties](#) (AMC) is a voluntary, nonpartisan, nonprofit organization, started in 1909. All 87 Minnesota counties have long been members. Its mission is "to unite Minnesota counties to achieve public-service excellence."

AMC is best known for its representation of counties through lobbying at the state and federal levels. It offers training for county commissioners and county employees statewide. It has a research and development area with an innovation lab and a [Futures Task Force](#), made up of county commissioners and county staff leaders from around the state, which meets three times a year to hear from people with innovative ideas on county governance and services. The group gets many ideas for speakers from Civic Caucus interviews.

Counties are administrative arms of the state and have responsibilities across all aspects of government: environment, land use, transportation, criminal justice, health and human services, elections, etc. Minnesota is a [Dillon Rule state](#), which means counties can only do what the state says they can do. Cities have more autonomy than counties in Minnesota.

Further background information is available in the [AMC 2019 Annual Report](#) and the 2018 report *Why Minnesota Counties Matter*.

Discussion

The notes of the discussion below are edited for brevity.

09:00 - How are counties funded? What is the financial outlook and the extent of the financial crisis affecting county services now and in the next several years due to COVID-19? Forty-four percent of total county revenue statewide comes from property taxes. If property-tax payers are under financial stress, it will dramatically affect counties' revenue. But property taxes tend to be a lagging indicator, since most payments are escrowed. Most property-tax payers paid on time this spring. Counties are more worried about this fall and next spring because of the pandemic's economic impact on homeowners, commercial property, agricultural land and other property. The challenge is that government services are needed more when things are tough economically, when less revenue is coming into government. Many programs counties provide are mandated benefits that require spending.

Other sources of revenue include intergovernmental transfers from the state and federal governments, which account for 10 to 12 percent of county revenue. Special levies, special taxes, some fees and a wheelage tax are all very small sources of revenue.

In the current economic downturn, the state may be facing the biggest budget deficit we've seen. That certainly affects counties, which are in the midst of 2020-2021 budget planning to prepare for that. There will be smaller revenue sources locally and likely less state aid.

14:36 How does a COVID-related shift in property-tax valuation, with a lag in assessments, affect county revenues? Parts of the economy have bounced back and are doing well, including tourism in northern Minnesota and retail entities. Metro hotels and restaurants have not. Because property taxes are a lagging indicator, property owners might have little revenue coming in, but their property assessment reflects value from the previous year.

19:41 - Two options when faced with reduced revenues are to cut services or raise more money. In the face of reduced revenue, are there ways counties can adjust their operations to continue services without making cuts? Counties have property-taxing authority, but they are hesitant to raise taxes when times are tough, even though the demand for services goes up. Yet, every county must produce a balanced budget.

Human services are heavily mandated from the federal and state levels, but delivered at the county level. We need to rethink the mandates and address what we need on the ground.

To change the way counties are doing things, we need permission from the state and federal governments.

In May 2020, AMC put together a **Blue Ribbon Commission** focused on lessons learned during COVID-19. The commission is looking at where we can do things more efficiently or effectively long term, based on changes made to respond to the pandemic.

29:40 - What is the one change that is most urgently needed by Minnesota county governments to provide services with less money that should concern a 2021 state legislator? We've come up with 14 human services waivers that will reduce costs. The savings will be less than 10 percent, but we think legislators will like the proposals.

31:01 - The relationship between the county, state and federal levels of government in the human services area is mandated from the top down, while the bottom level is responsible for paying for and executing these mandates. How does the county reconcile with this? There are two elements to the extremely complicated human service programs: to prevent misuse and to help as many people as possible. Programs can be so difficult to access that they're not serving their mission. We think it's better to have people in the county provide these services.

36:51 - Could the counties dedicate some time now to take stock of lessons learned from the necessary changes brought on by the pandemic? We want to implement these changes. How can we use this time of disruption-both the pandemic and the movement for racial equity-to disrupt our current processes? We should always seize the time of disruption to make big changes. We need to take the time to make change, not just revert to business as it was before.

40:48 - Amid the disruptive forces of the pandemic, what specific changes that have been enacted are you looking to make more permanent? What does it mean that our jail numbers are down? Are we releasing people faster? Are we arresting fewer people? Is the public still safe? We need to transform how we deliver human services. If it results in better programs and better services, that's worth it, no matter how large or small the savings are.

48:24 - Are issues emerging from a county perspective on financing transportation? One of the top issues at the legislature every year is transportation. We're underfunding the transportation system, much of which is in disrepair. We're not keeping up with maintenance. The gas tax is down by 15 percent. The impact is hitting at the state level and will take until 2021 to hit the counties.

The gas tax is still a big source of revenue, even though people are driving more electric vehicles and more gas-efficient vehicles. The gas tax is a proxy for wear and tear on the roads.

50:18 - Is it possible that we are over-funded and over-employed in the area of government? Could the whole system be restructured in a way that can communicate more efficiently among different, and perhaps fewer, levels? Counties don't have the number of workers they need right now in their workforces. Counties have a large amount of services that require professionals-like dispatchers, child-protection workers, corrections officers. It's hard to recruit and retain these employees.

We're going to have fewer workers. How do we deliver our services with fewer people? How can we do things differently? The pandemic has accelerated that. We don't need to eliminate jobs; we can't fill them. We have to get innovative, doing collaboration and joint powers between counties for things like adoption procedures.

How can we spend less money on paperwork and more on people? We need transformational change. We're spending lots of money and not getting the outcomes we want. We have to change.

56:00 - Is it time for the Minnesota legislature to revisit the authority of the county and perhaps give counties more of the home-rule powers that municipalities have? What other states might we turn to as good models? In order to effect county government redesign, the state should allow us to pilot-test having more authority. But it's hard to ask another level of government to give up power. We tried to get legislation passed that would give counties the power to implement changes to various programs, but we were unsuccessful. We keep trying to bring ideas forward, but statutes must change in order for us to try something. We haven't been able to get that done.

59:11 - Could Minnesota counties follow the model of other states and cede some human services authority to the state, in exchange for more independence? We have some county boards who want the state to take over human services. Others don't trust the state to provide those services.

1:04:29 - How do partisanship and divisiveness play a role in county government and what action is the Association of Minnesota Counties taking on these issues? Most people are concerned about polarization and use the urban/rural divide as a proxy. But they don't see the diversity inside those labels.

Counties are nonpartisan. In the metro area, there are a lot of partisan endorsements for candidates. That's very rare outside the metro area. But polarization is creeping into local government.

Last fall, AMC started an initiative called **Bridging Divides**, which involves training and teaching local government officials how to navigate polarizing issues, since more of these are coming into county boards than before. It's aimed at unifying counties, despite differences.

1:10:54 - Are child-protection services a pilot case for giving counties more authority? Counties pay for child-protection services, but they are fully regulated by the state. We have little local discretion. Several years ago, the Legislature took action and Governor Mark Dayton convened a task force on child protection, which resulted in counties taking a more risk-averse approach.

The federal government passed the Families First Act, which tries to move upstream to help families before problems occur. We're rebuilding to try to focus on family asset-building, keeping kids safe and eliminating racial disparities in child protection.

1:14:36 - Minnesota state government seems to be in charge of the COVID response and to be the most public-facing authority on the issue. How are counties involved in the COVID response? One of the most functional state-local relationships is the public health system. It's built on a partnership, rather than mandated services, and is more locally driven. In all counties but Hennepin, public health services are delivered at the county level. But in Hennepin County, in addition to the Hennepin County Health Department, four cities-Minneapolis, Bloomington, Edina and Richfield-also have local health departments. Public health is not a direct-delivery service; it interacts more on a system level. In Greater Minnesota, many smaller counties cooperate in the area of public health.

1:19:06 - We elect executive officials directly for the state of Minnesota and individual cities. But, while counties have district-elected board members and appointed executives, they have no central elected official. Why is this the case? It's really a tradition of how the system grows up. In other states, some counties have elected executives in larger counties, but it's not what we do in Minnesota.

1:22:00 - Julie Ring closing remarks. Counties have a lot of authority, but they aren't well known. At the AMC, we get to think of innovative ideas, which isn't really allowed in the public sector. We get to have conversations about what the world could look like. It's the greatest opportunity we have to effect change.

Biography

Julie Ring is executive director of the Association of Minnesota Counties. She has held that position since 2013 and has worked at the Association since 2004. Prior to that, she was director of the Local Public Health Association of Minnesota, worked at the Minnesota

