



**PUBLIC RELATIONS • CRISIS MANAGEMENT • PUBLIC AFFAIRS**

# **Association of Minnesota Counties**

## **Current Assessment of Minnesota Counties**

**Report of Quantitative and Qualitative Research Findings**

**December 2003**

# Agenda

- ▶ **Survey/Poll Findings**  
**- Conclusions**

*John Himle*

- ▶ **Audit Findings**  
**- Conclusions**

*Tim Penny*

- ▶ **Critical Questions**  
**Strategic Options**

*John Himle*

- ▶ **Discussion**

# Work Program

## PHASE 1: Research

- **Quantitative: Phone survey of 800 Minnesotans**
  - 8 clusters by Congressional districts
- **Qualitative: 35 one-on-one interviews**
  - Senior legislators
  - Governor's Administration
  - News media
  - Business
  - Labor
  - Opinion leaders
  - County commissioners
  - County administrators
  - County service providers

## PHASE 2: Analysis, recommendations, present strategic options to AMC

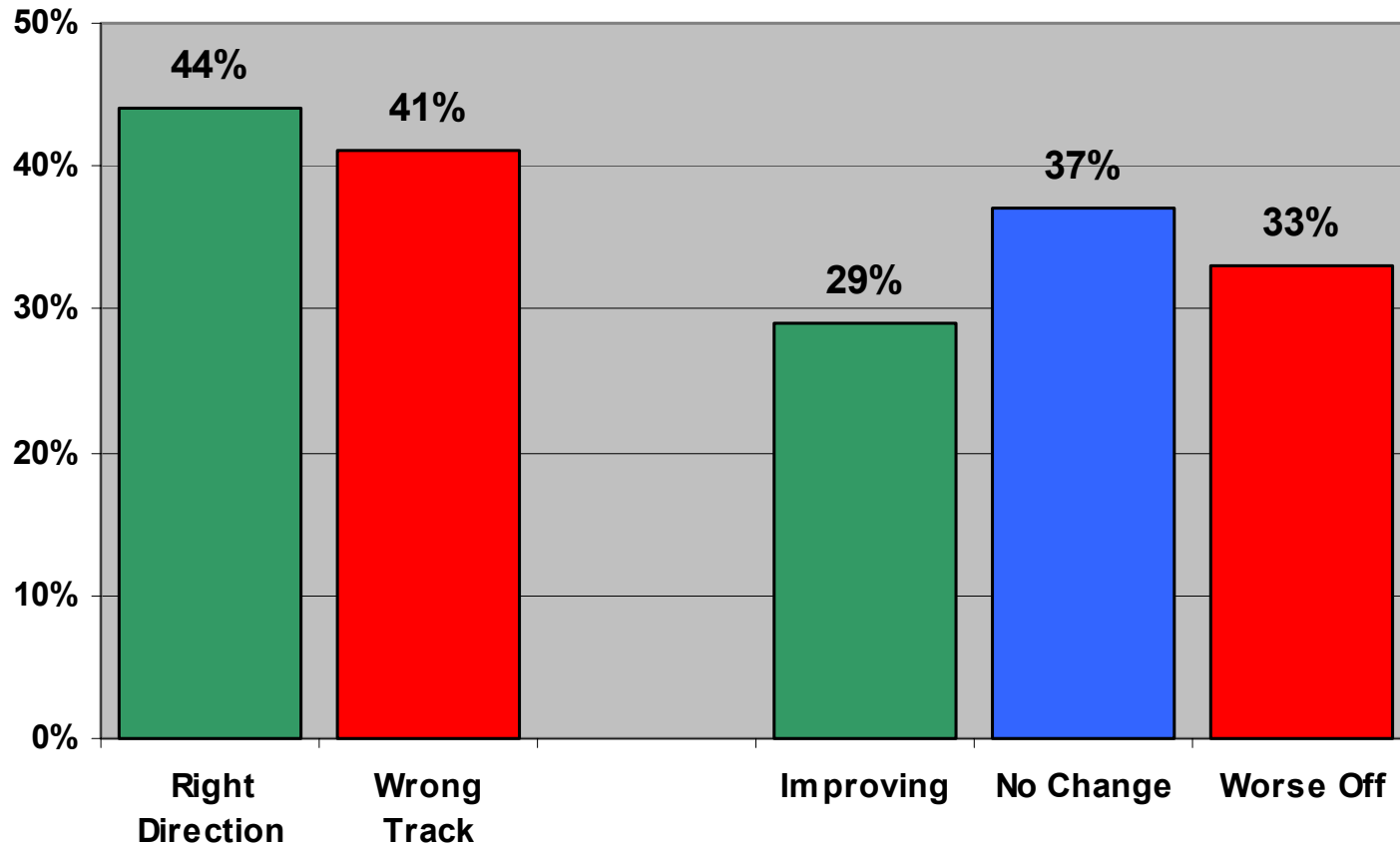
# Survey Methodology

- ▶ **Phone interview of 800 Minnesota adults**
  - *Sept. 4-16, 2003*
  - *Equally divided among congressional districts*
  - *Accurate demographic representation of the general population*
  
- ▶ **Measure public perceptions'**
  - *Test MN issue environment*
  - *Views of fiscal issues*
  - *County government in MN*

# **Political Environment: Public Mood is Apprehensive**

- ▶ **No consensus over direction that the state is heading**
- ▶ **Concern about family financial issues**
- ▶ **Strong “No New Taxes” majority has emerged**
- ▶ **Government reform, not new programs, becoming focus of Minnesotans**

# Public Remains Concerned About the Direction of the State

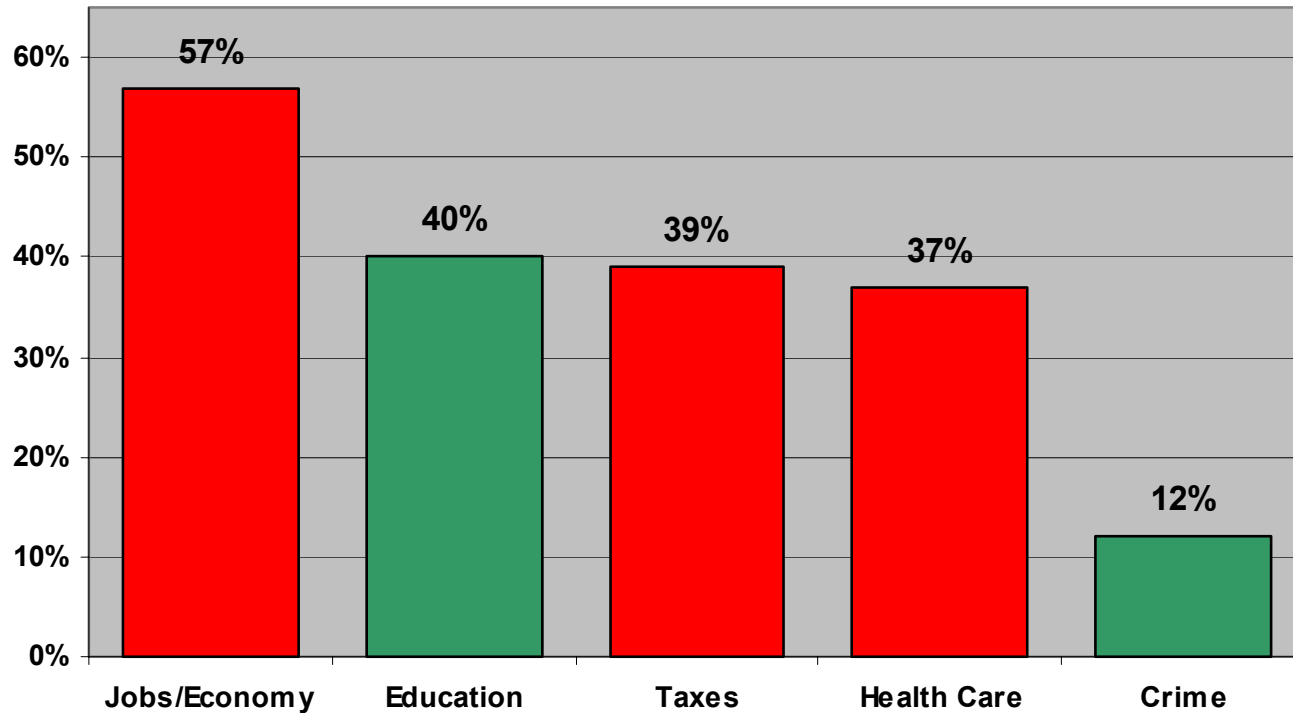


**State Barometer**

**Family Finances in the Past Year**

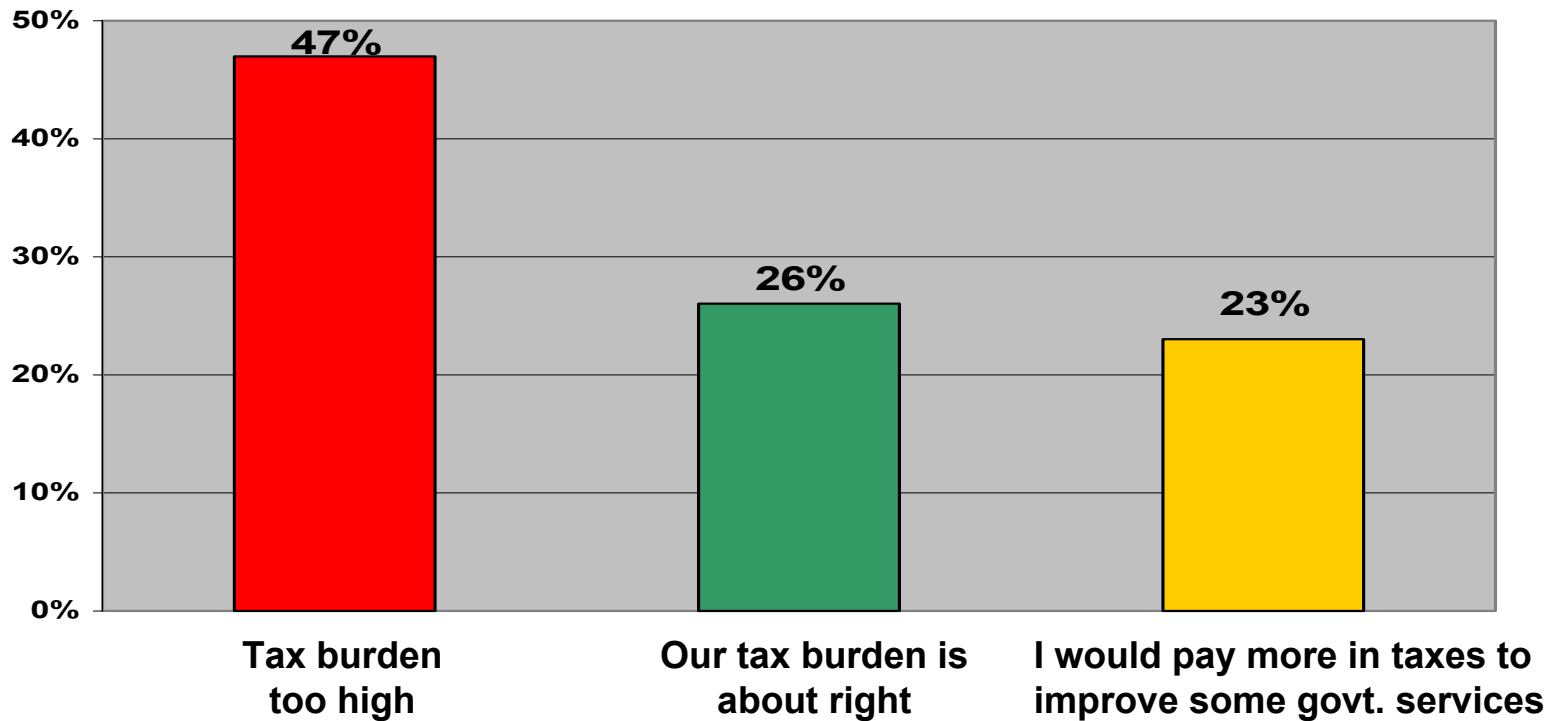
# Minnesotans Focused on “Family Economics” Issues

*“What do you feel is the most serious issue facing the state today? Second choice?”*



# Significant Share of Minnesotans Believe Taxes are too High

*“Which of the following statements best reflects your feeling about taxes in Minnesota . . . ?”*



# **“Taxes About Right” Respondents are Very Skeptical About Return to Pro-Tax Agenda**

- ▶ **More likely to feel family finances are improving (38% - 17% margin)**
- ▶ **Believe Minnesota is moving in the right direction (56% - 24%)**
- ▶ **Rate Pawlenty’s performance as positive (57% - 34%)**
- ▶ **Only 9% think new taxes are the correct response to local government aid cuts**

**Conclusion: Most Minnesotans are aligned with the “No New Taxes” Agenda (73%), even those who are satisfied with current level of taxes.**

# “No New Taxes” Agenda Supported Geographically

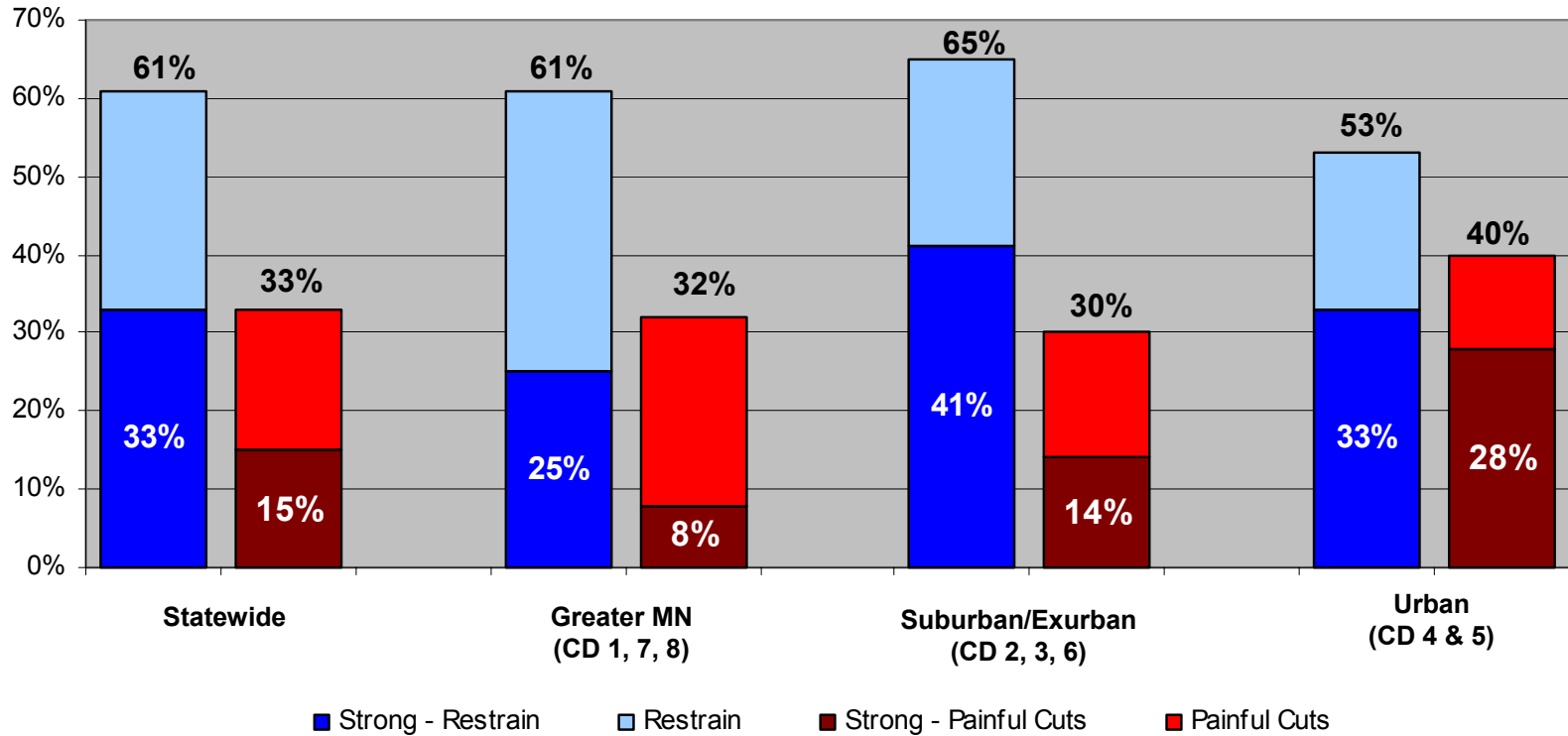
Region	
Statewide	
Greater MN	CD1
	CD7
	CD8
Exurban and Suburban	CD2
	CD3
	CD6
Urban	CD4
	CD5

Taxes Too High	Taxes About Right
47%	26%
50%	35%
45%	33%
46%	30%
50%	24%
59%	31%
50%	33%
35%	19%
39%	25%

Would Pay More Taxes
23%
13%
17%
24%
22%
18%
10%
45%
33%

# Public Focused on Government Reform, not Service Cuts

*Government should restrain spending or,  
budget problems will lead to painful cuts*

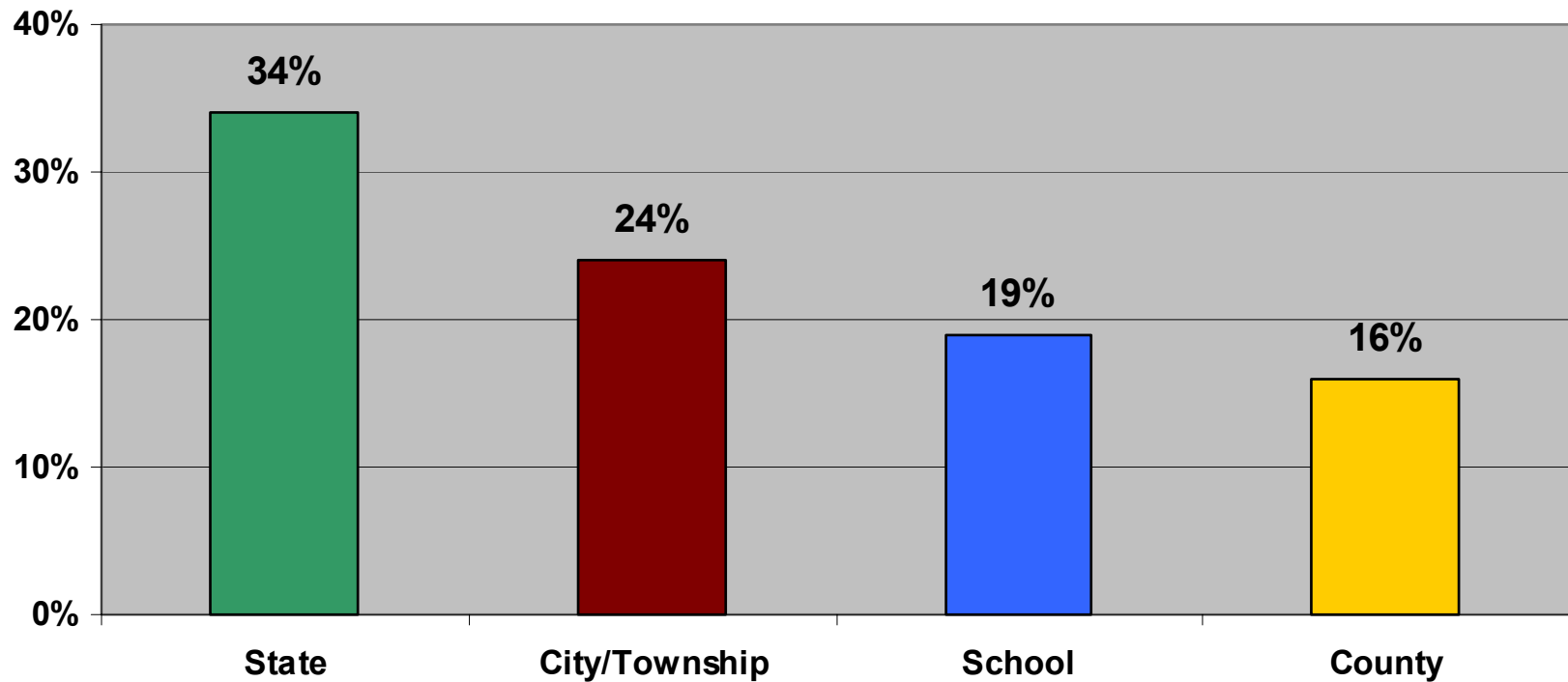


# Minnesotans not Connected to County Government Positive Perceptions None the Less

- ▶ **Public is less connected to counties than other levels of government**
- ▶ **Approval of county performance is solid**
  - *Believed to understand residents' needs*
  - *Counties not blamed for recent tax increases*
  - *Approval strongly related to how informed public feels about counties*
- ▶ **But, lack of understanding of how counties spend and prioritize budgets**

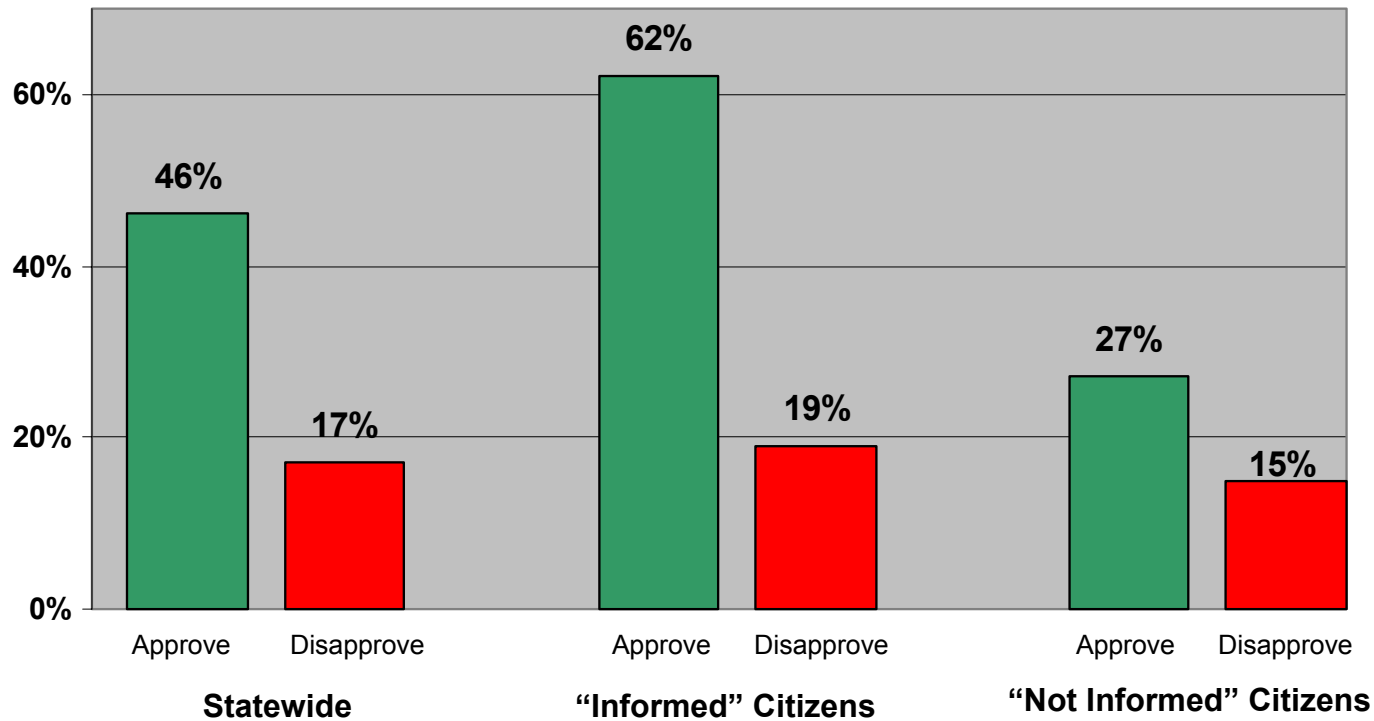
# Counties are the Least Understood Level of Minnesota Government

*“Which level of government do you feel you know the most about?”*



# Minnesotans Generally Approve of the Work of County Government

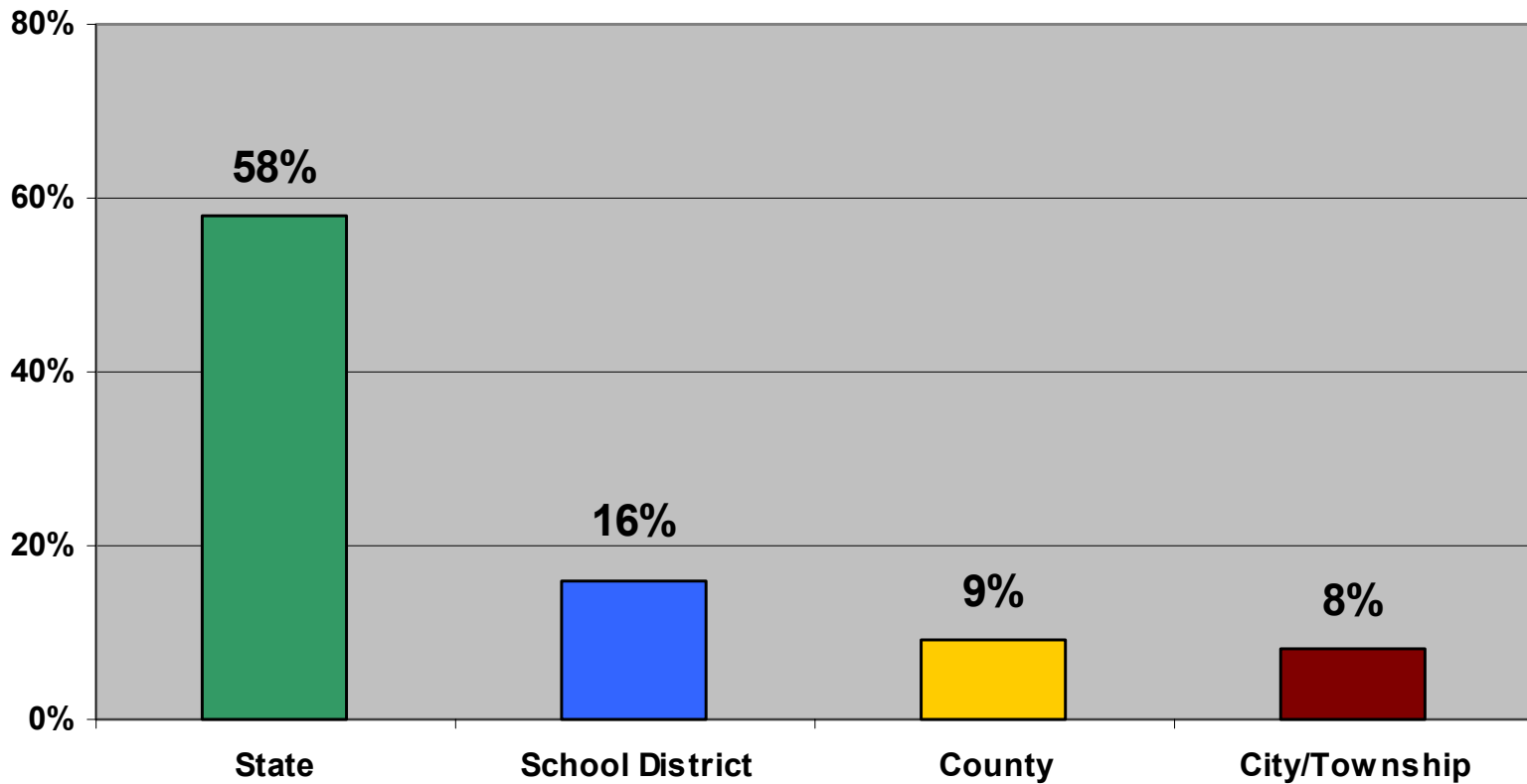
*“From what you know, do you approve or disapprove of the job your County Board is doing?”*



# Minnesotans Believe Counties Reflect their Needs

- ▶ **77% believe they can have an impact on the way the county runs**
- ▶ **65% believe counties provide services in a cost-effective way**
  - *57% believe counties respond effectively to budget problems*
- ▶ **60% believe their County Board understands the most critical needs of residents**

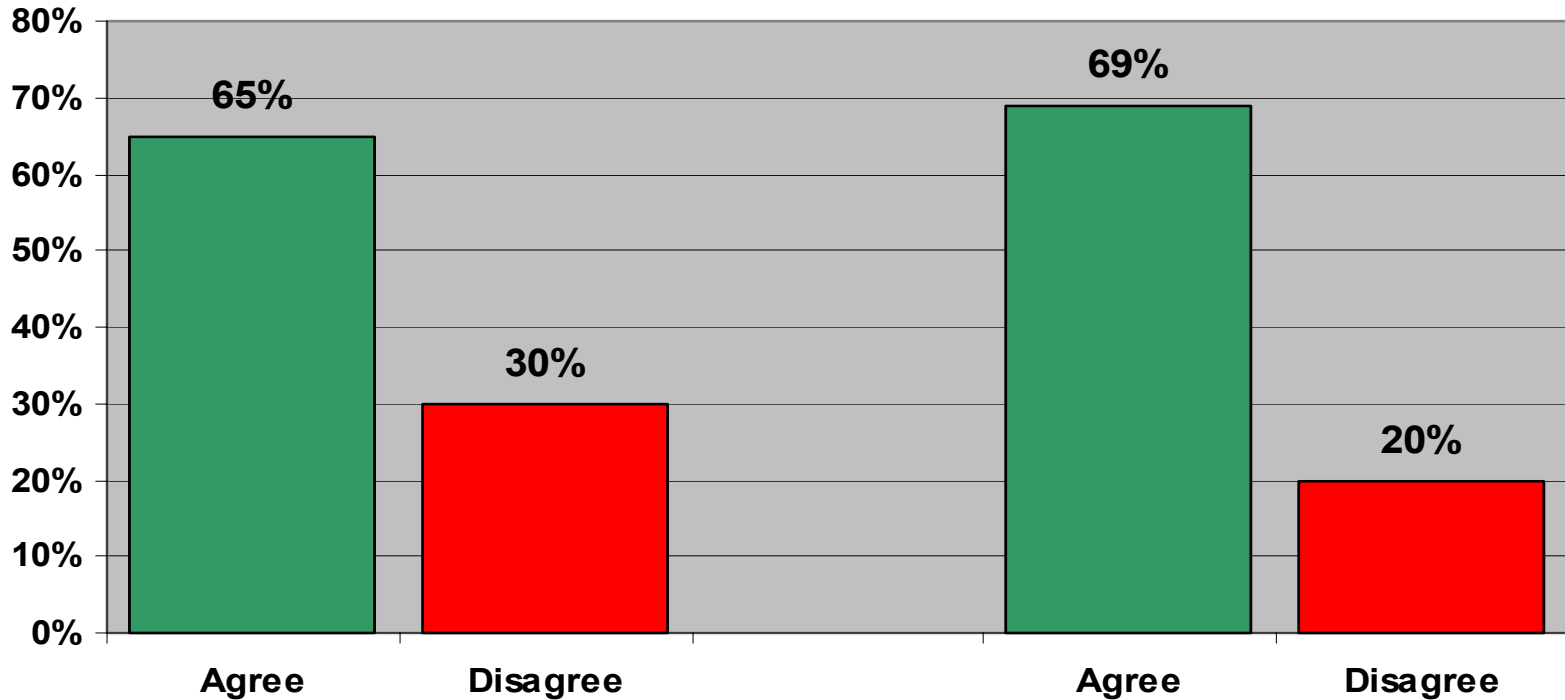
# Counties not Perceived as Primary Cause of Tax Increases



# Public Lacks Understanding of Budget Drivers for Counties

<b>Key Service</b>	<b>Perceived Responsible Unit of Government</b>
<b>Public Assistance/Welfare</b>	<b>State – 61%</b> <b>Counties – 26%</b>
<b>Transportation</b>	<b>State – 52%</b> <b>Counties – 14%</b>
<b>Public Safety</b>	<b>City/Township – 58%</b> <b>Counties – 21%</b>

# Public Concerned that they don't Receive Key Information



*"It seems like I don't hear about big issues facing our county until it is too late."*

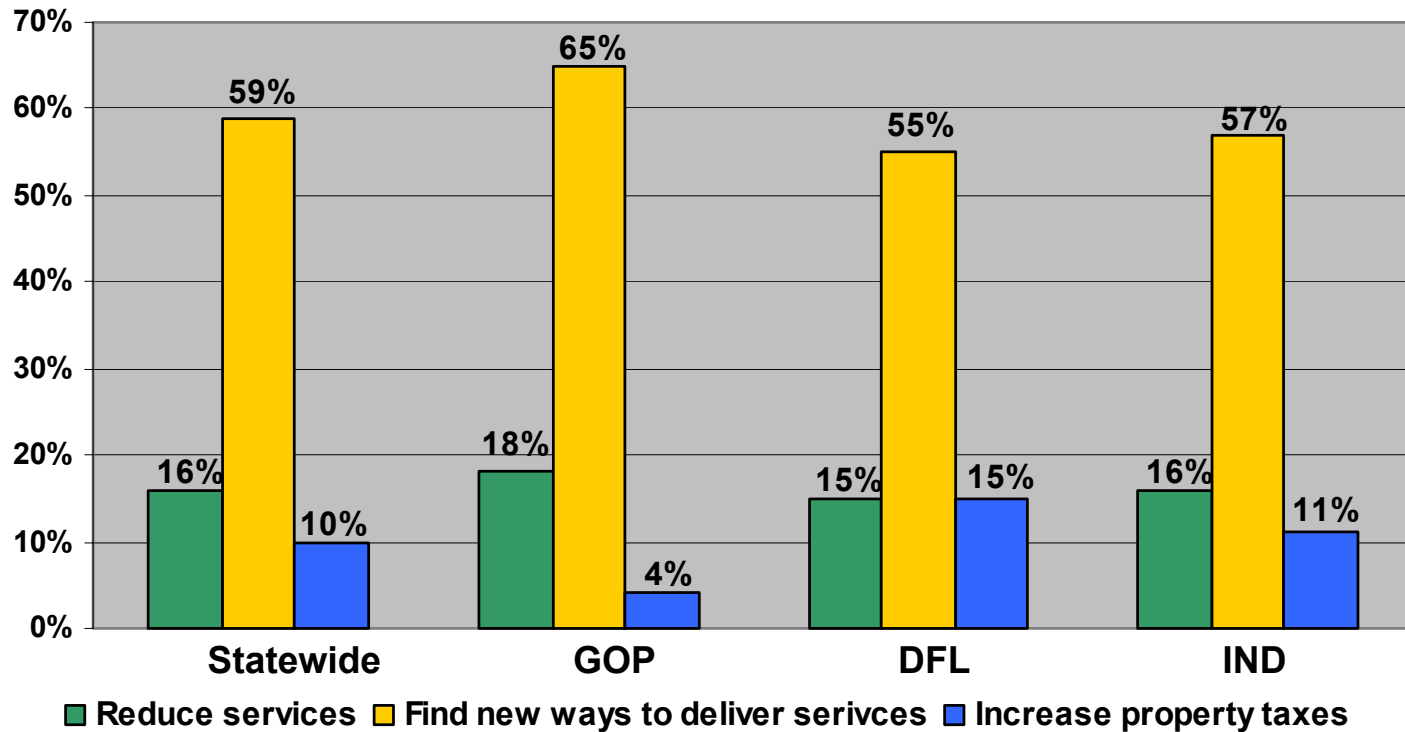
*"It is hard to keep track of how our county board spends its budget."*

# Fiscal Agenda: Public Focused on Reform Rather than Cuts

- ▶ **Public wants changes in service delivery, not cuts in services**
- ▶ **Support exists for reprioritizing county functions within current budgets**
- ▶ **New Minnesota model is service reform**  
**\_\_\_\_\_ - *Public's attitude is not a California tax revolution (for now)***

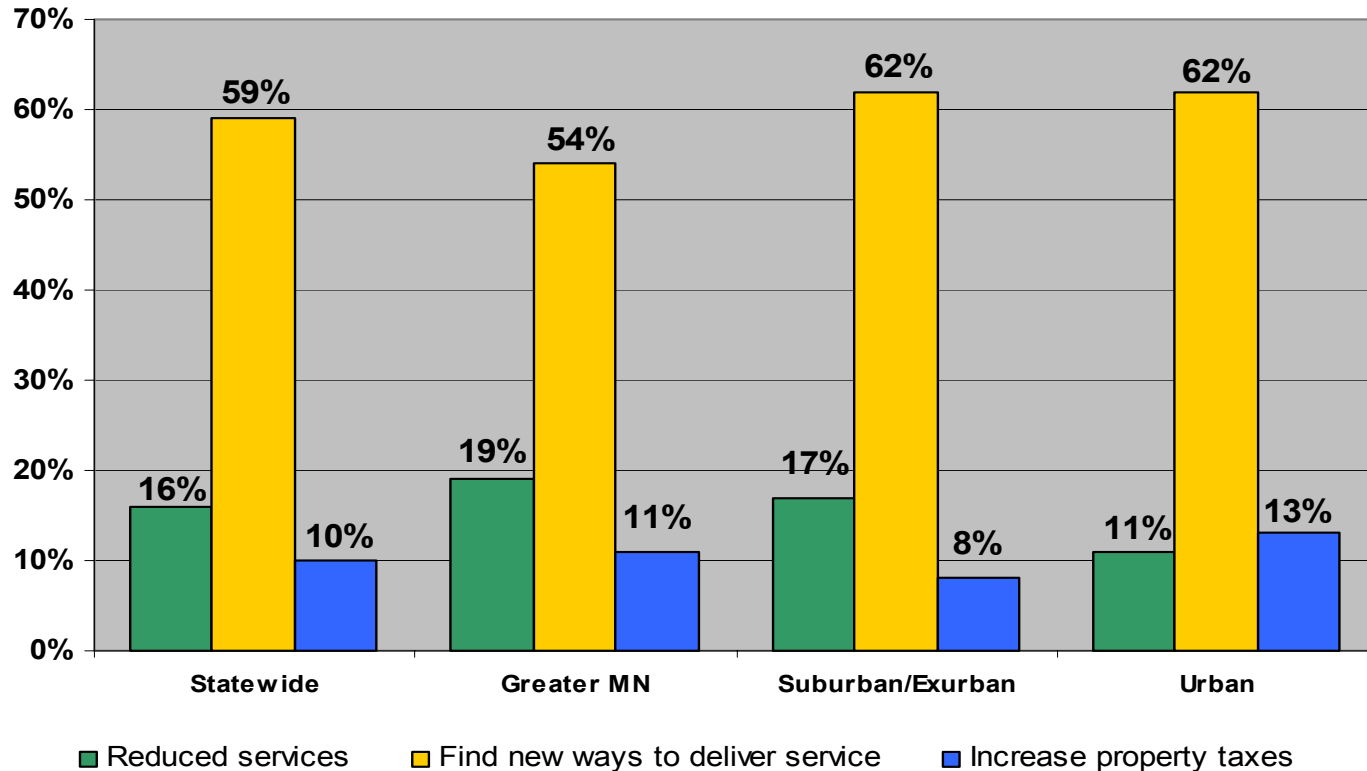
# Public Supports Finding New Ways to Deliver Services

*Thinking about those options, which one do you think your county should use to respond to state aid cuts?*



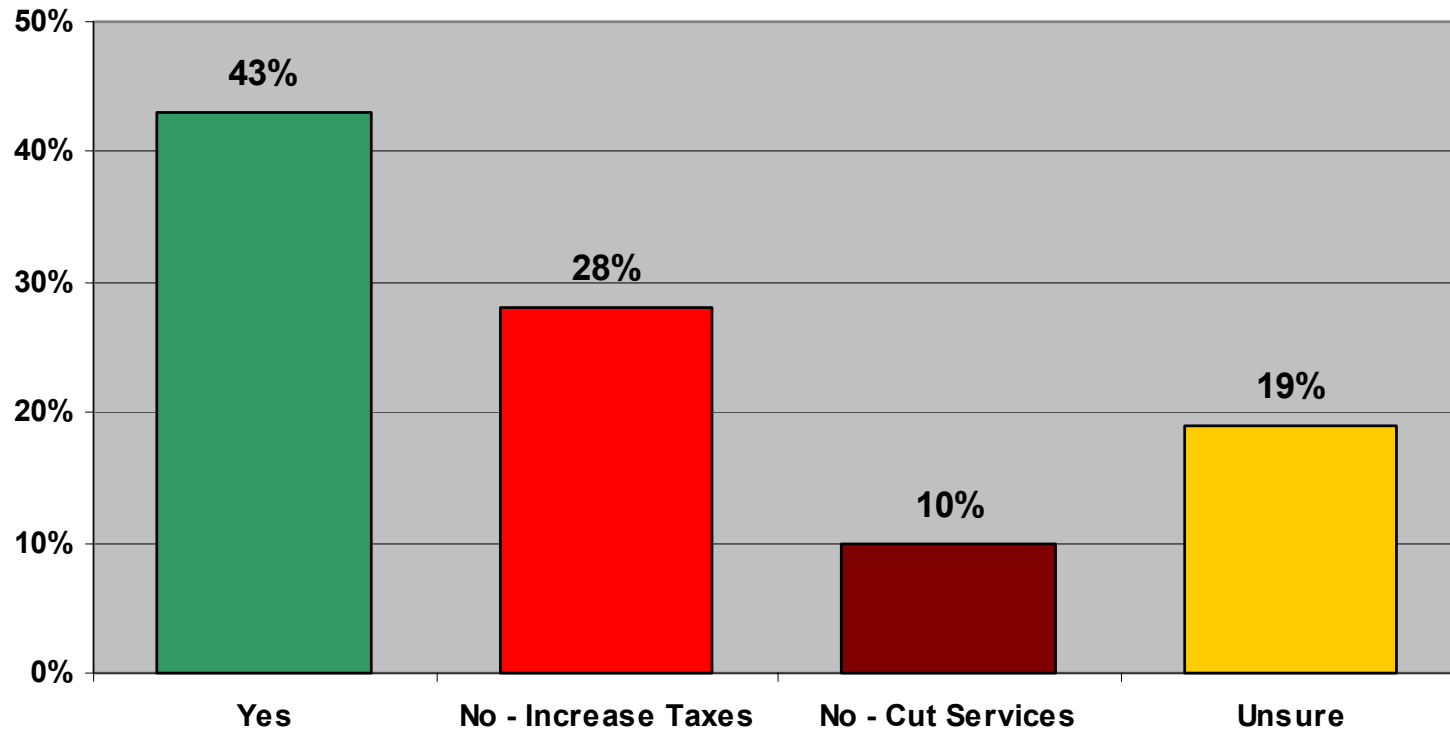
# Support for Reform Agenda Strong Throughout Minnesota

*Thinking about those options, which one do you think your county should use to respond to state aid cuts?*



# Reformers Uncertain that Counties will Adopt Reforms

*“(Of the 59% answering ‘New Ways’), do you think your county will use that approach?”*



# Minnesotans Support Reform of County Government

- ▶ **Support exists for increasing spending on specific services**
  - *Public health (45% - 11%)*
  - *Public safety (36% - 5%)*
- ▶ **Minnesotans support new delivery models such as outsourcing (71% - 17%) and shared delivery (88% - 5%)**
  - *Oppose county consolidation by a 45% - 38% margin*

# Survey Conclusions / Summary

- ▶ **Minnesotans are apprehensive about the political climate**
- ▶ **Generally positive about counties**
  - *But, public doesn't understand how counties impact their lives*
- ▶ **County services not seen as state's most critical issues**
- ▶ **Little interest in tax increases or service cuts**
  - *Expect reform, not status quo approaches*
- ▶ **Opportunity exists for county-driven "service reform" agenda**

# Other Survey Findings of Note

- ▶ **Public employees' views**
  - *Less informed about county government*
  - *Less likely to believe cost-effectiveness*
  - *Less likely to believe county understands critical problems*
- ▶ **Core city vs. rural**
  - *Core city more pessimistic, more likely to support new taxes*
  - *Rural residents more connected to counties, understand role better*

# Audit Methodology

- ▶ **Confidential interviews with key policy decision makers and opinion leaders**
- ▶ **Offers more depth of views**
- ▶ **Interviews averaged 45 minutes +**
- ▶ **AMC Audit involved 35 interviews:**
  - Senior legislators
  - Governor's Administration
  - News media
  - Business
  - Labor
  - Opinion leaders
  - County commissioners
  - County administrators
  - County service providers

# Key Audit Findings

## Counties are Well Respected and Seen as Cost Effective

- ▶ **Recognized as an important level of government**
- ▶ **Well-connected to constituents**
- ▶ **Provide services in a cost-effective way**
- ▶ **Manage well in an environment they can't control (due to mandates)**
- ▶ **Good stewards of public dollars**

# Key Audit Findings

## Threats to Counties' Ability to Deliver Services Effectively

### County Respondents

- ▶ Loss of revenue
- ▶ Mandates
- ▶ Poor communications with state

### Non-County Respondents

- ▶ Counties lack vision, creativity
- ▶ Too much duplication of services
- ▶ Lack of cooperation and sharing service delivery with other counties
- ▶ Minimal appetite for structural reform

# Sample of Comments

## Respect for Counties

***“It is potentially the strongest form of government in the state because it’s close to the people, has taxing authority and law-making ability, making it the most accountable.”***

**Rural state legislator**

***“County government is strong here. We’re one of 17 or 18 states that use counties as an arm of the state government to deliver services. This means we have a different mission and we do it well.”***

**Suburban state legislator**

## Cost Effectiveness

***“(Counties are) not as cost effective as they could be. It’s largely due to structural and regulatory barriers. I would give them a grade of a C+.”***

**County administrator**

# Key Audit Findings

## Public Perceived to have Little Understanding of County Government

- ▶ **General public neither understands or appears interested**
- ▶ **Creates confusion over county role and county finances**
- ▶ **Deficiency due to poor communications/media coverage**
- ▶ **Apathy hinders counties' ability to garner public support**

# Sample of Comments

## Awareness

***“Lack of awareness is a huge challenge, especially in light of revenue concerns. They will be forced to make many tough choices without public input or attention.”***

**Suburban state legislator**

***“There’s no boundary understanding of who does what – they [public] come to the county with school or state issues. They don’t know where to go for services.”***

**Rural county commissioner**

***“Most people don’t have a clue. Unless you need a specific service, you never think about it. County government is the most taken for granted kind of government there is. They do a poor job of telling people what they do and how it’s effective.”***

**Rural media representative**

# Key Audit Findings

## State Mandates and Demographics are Challenges

- ▶ **Respondents are aware of mandate impacts on counties**
  - *Lack room for creativity/flexibility*
- ▶ **Growing counties dealing with population gains**
  - *Strain on resources*
  - *Cultural pressures from immigration*
  - *Aging means shift in service demand*
- ▶ **Non-growing counties struggle with population loss**
  - *Lack of resources*
  - *Aging forcing changes in service funding/demand*
  - *Loss of youthful workforce*

# Sample of Comments

## Mandates

***“Mandates are us – without mandates you don’t need counties.”***

**Suburban county administrator**

***“Counties need to have flexibility to adapt the mandate to their individual area, yet still focus on achieving the defined outcome.”***

**Rural county service provider**

## Growth

***“Growth – managing the infrastructure, changing demographics and balancing the increasing needs while respecting the taxpayer.”***

**Suburban media representative**

***“In Greater Minnesota – population loss, dwindling tax base, aging and its impacts on the future, the lack of young people to fill the needs.”***

**Rural county service provider**

# Key Audit Findings

## Reform Needed, But Little Agreement How

- ▶ **County leaders: services will be cut**
- ▶ **Non-county leaders: long-term reforms needed**
- ▶ **Legislators: Counties need to be pro-active, not reactive**

# Key Audit Findings

## Counties Favor Service Reforms; Non-County Respondents Favor Structural Reform

### County Respondents

- ▶ Joint powers
- ▶ Sharing services
- ▶ Outsourcing

### Non-County Respondents

- ▶ Sharing services
- ▶ Shifting responsibilities to other units
- ▶ Consolidation of counties

# Sample of Comments

## Reform

***“Property taxes will be less than expected, of course they’ll be some cuts, but they will have to find new ways to deliver services.”***

**Business representative**

***“. . . they need to be more strategic – how can services be delivered more effectively, not just how can we reduce administration costs.”***

**Executive branch representative**

## Joint Powers Agreement

***“Important – it’s a way of life for rural counties.”***

**Rural county administrator**

# Sample of Comments

## Consolidating Counties

***“There would be identity challenges and lack of willingness by counties to be consolidated. In Greater Minnesota, there is resistance to regionalization.”***

**Rural county service provider**

## Shifting Responsibilities

***“Maybe, but depends on specific case. Probably doesn’t change the cost of government – just different provider.”***

**Labor representative**

## Merging Counties and School Districts

***“Fascinating concept. Would make planning for the future easier to manage, but could be confusing in schools where students come from multiple counties.”***

**Suburban state legislator**

# Key Audit Findings

## Not All County Services Viewed the Same

	Very Important Service	Less Important Service
<b>Best managed by counties</b>	<ul style="list-style-type: none"> <li>- Social Service</li> <li>- Public Safety</li> <li>- Transportation</li> </ul>	<ul style="list-style-type: none"> <li>- Fiscal Management</li> <li>- Community Health</li> </ul>
<b>Not well placed</b>		<ul style="list-style-type: none"> <li>- Environmental Service</li> <li>- Economic Development</li> <li>- Land Use Planning</li> <li>- Parks and Recreation</li> </ul>

*Reflects respondents' prioritization of services*

# Key Audit Findings

## County as a Service Provider

***“The state makes counties responsible for a lot of activity and they are more diverse in mission than the private sector.”***

**Executive branch representative**

***“They (counties) serve as an intermediary between residents and the state and federal governments.”***

**Suburban state legislator**

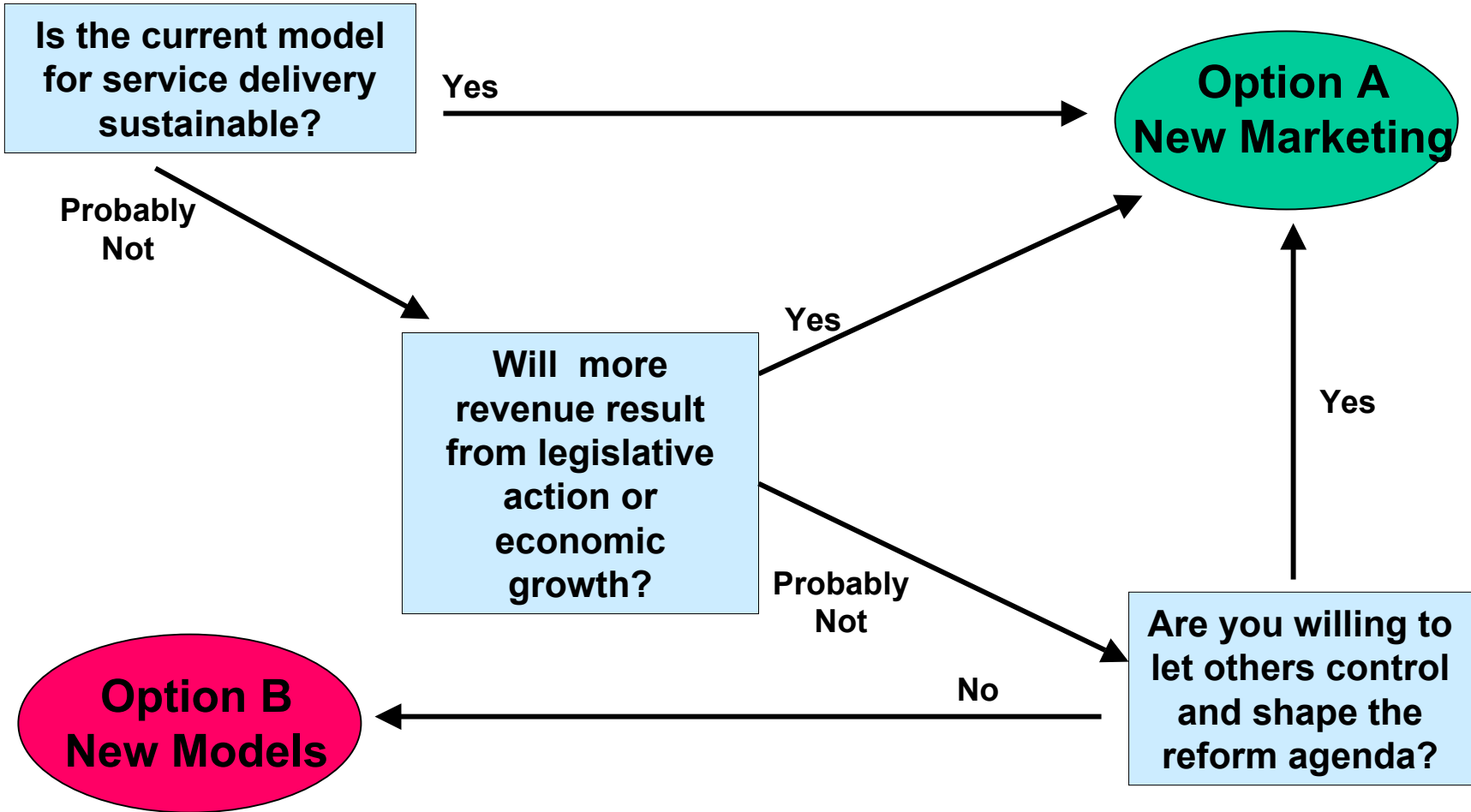
***“They’re into a lot of areas they shouldn’t be. The focus should be on public safety, public health and transportation. Everything else is bells and whistles.”***

**Rural media representative**

# Conclusions - Audit

- ▶ **Counties are considered agents, not agenda setters**
- ▶ **Taxpayers lack the same understanding of counties as policymakers/leaders do**
- ▶ **Counties not viewing reform in the same context as taxpayers**
- ▶ **Changing demographics will also drive county reform**

# Critical Questions to Determine Direction



# Option A: New Marketing

## Assumptions

- ▶ Political/economic environment has challenges, but counties can cope
- ▶ Bad years - minimize damage
- ▶ Good years - make incremental gains

## Strategic Initiative

- ▶ Communicate/Legislate → Enhance marketing of county government to general public and policymakers

## Goals

- ▶ Develop better understanding/support for county government by county residents
- ▶ Build support/enhance outcomes in the legislative process

# Option A: New Marketing

## Program

### County Communication:

- ▶ AMC develop communication templates for counties
- ▶ Town Hall meetings
- ▶ Commissioners/staff visible in local organizations
- ▶ Enhanced media relations
- ▶ County employee communications
- ▶ Branding of county services

### Legislative Communication:

- ▶ Enhance communication with new & existing legislators
- ▶ AMC delivers annual “State of the Counties” rating
- ▶ Interim bus tours around MN
- ▶ Aggressively communicate implemented reform ideas
- ▶ Offer reform agendas every two years

# Option B: New Models

## Assumptions

- County govt. can't be sustained under current model
- Need to “change county govt. as we know it”
- But, 1 size does not fit all
- Counties want to lead/shape change

## Strategic Initiative

- Design/Build New County Models            → AMC/counties pro-actively engage public, legislators, other units of govt. in a process to design and support new service delivery and financing models for county govt.

## Goals

- Develop greater understanding of county govt. pressure points
- Condition county govt. to welcome/accept change
- Identify viable reform models
- Implement policy changes at state/local levels

# Option B: New Models

## Program

- ▶ Design process
- ▶ AMC approaches other govt., policy/interest groups, legislators - invite their participation
- ▶ Announce major statewide initiative
- ▶ Organize working groups around MN (similar demographic clusters)
- ▶ Public meeting process
- ▶ Engage local opinion leaders (presentations)
- ▶ Invite participation via. Web comments
- ▶ Design new models:
  - Services delivered
  - Who delivers
  - Financing/revenues
- ▶ Target policy implementation for 2005 Legislature

# Critical Questions to Determine Direction

