

Minnesota Accountable Government Innovation and Collaboration (MAGIC) Act

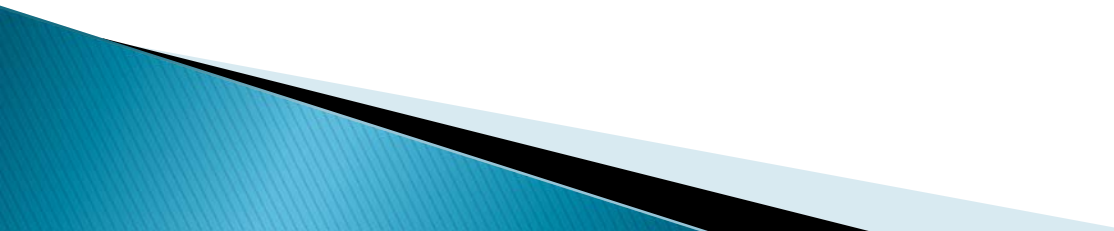
Originally Presented at the AMC Board Meeting

March 18, 2011

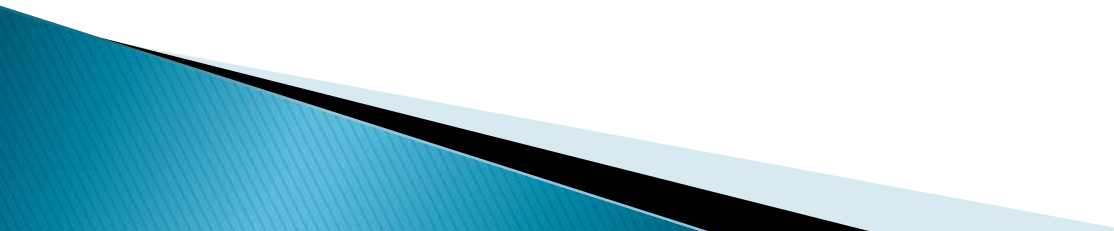
Presented to AMC General Membership Legislative Conference

March 23, 2011

MAGIC Framework

- ▶ Affirmatively adopt the “Cooley Doctrine” or legislation of the like, and;
 - ▶ Authorize counties to receive waivers from current law or statute by following a series of prescribed steps
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What is Dillon's Rule?

- ▶ Local units of Government are only authorized to do that which is specifically allowed in statute
 - ▶ Minnesota is a Dillon Rule State
 - ▶ Rule dates back to 1872 – not sure it was a conscious choice
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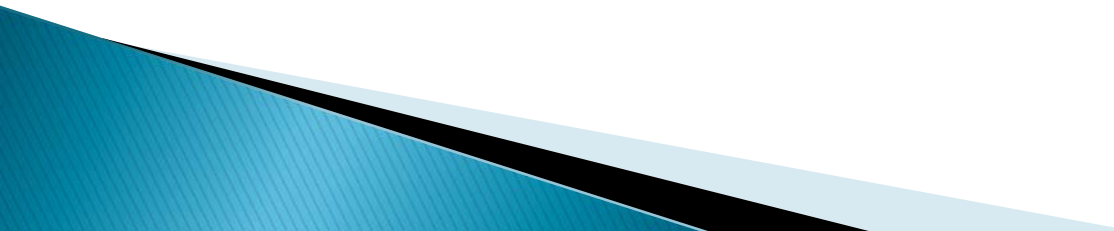
Pros and Cons of the Dillon Rule

- ▶ Preference for pilots
- ▶ Uniformity
- ▶ Perception of efficiency and fairness
- ▶ We get to blame the state
- ▶ Limits rouges
- ▶ Predictable
- ▶ Perception state employees know better than local
- ▶ Spillover effects
- ▶ Shackles local control and responsiveness
- ▶ Restricts flexibility
- ▶ Forces uniform mediocrity – impairs creativity
- ▶ Creates unfunded state mandates
- ▶ One size fits all – won't fit all
- ▶ No incentives for meaningful reform

Pros

Cons

What is the Cooley Doctrine?

- ▶ Theory that local control is a right of the people
 - ▶ Therefore, local governments ought to be able to flexibly and nimbly respond without state oversight
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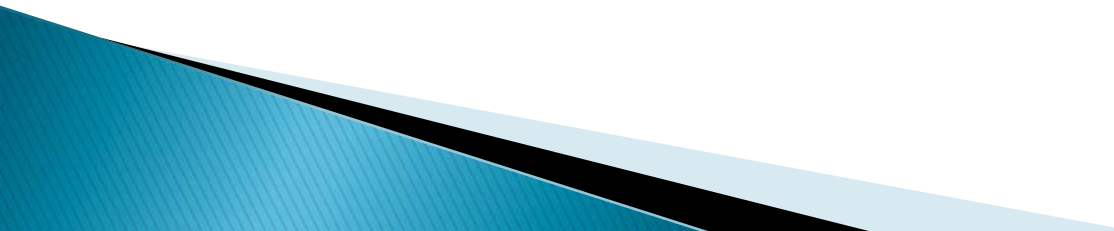
Simple Waiver Process

- ▶ Counties with innovative ideas will:
 - **Identify** the outcomes the county is seeking to achieve along with a timeline of no more than 24 months before a pilot project will be subject to legislative review
 - **Create** a detailed plan for how they will achieve those outcomes, including meaningful performance measurements to gauge success and failure
 - **Seek** input from affected state agencies by presenting the complete business plan to the executive branch allowing 30 days for agencies to submit comments
 - **Assess** the success or failure of the pilot project based upon its ability to deliver the outcomes identified at the beginning of the MAGIC process based upon the performance measures in the business plan
 - **Report** to the legislature and the executive branch on the results of each pilot project utilizing the MAGIC framework to allow policy makers to conduct a review

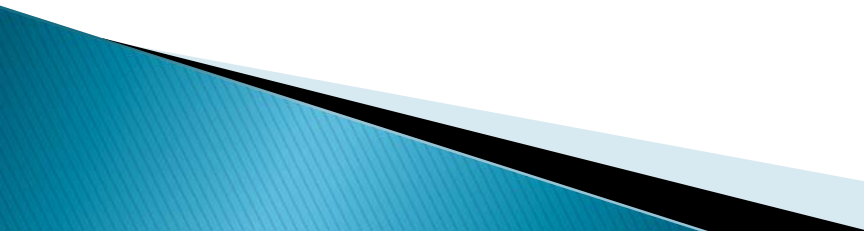
MAGIC Waiver Example – Land Use/Natural Resources

- ▶ One lake in the County
- ▶ Lake's water quality is perceived as low
- ▶ Sandy soils around the lake, all homes are on a 20 – 30 foot elevation
- ▶ Ditch running in to the lake
- ▶ Golf course on one side of lake, direct outlet
- ▶ County has done a study on the lake's water and has found that water quality is likely reduced due to excess phosphorus
- ▶ Primary source of phosphorus is determined to be fertilizer on private lawns, golf course and very little through the ditch
- ▶ 50% (100 total) of septic systems around the lake are currently compliant with current septic rules (no direct discharge)

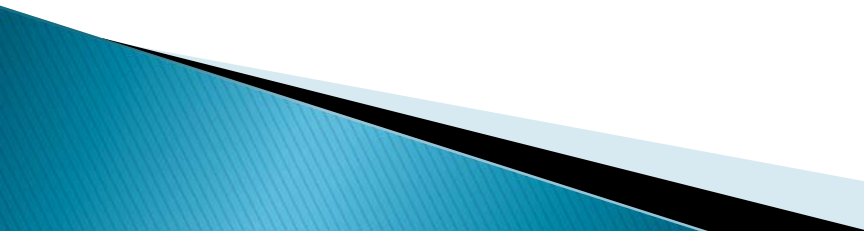
MAGIC Waiver Example – Land Use

- ▶ **Identify**
 - ▶ County Board decides they want to increase water quality by 25% within 24 months
 - ▶ Outcome: Increase secchi disk readings from 7 feet to 10 feet, no increase in total suspended solids (TSS)
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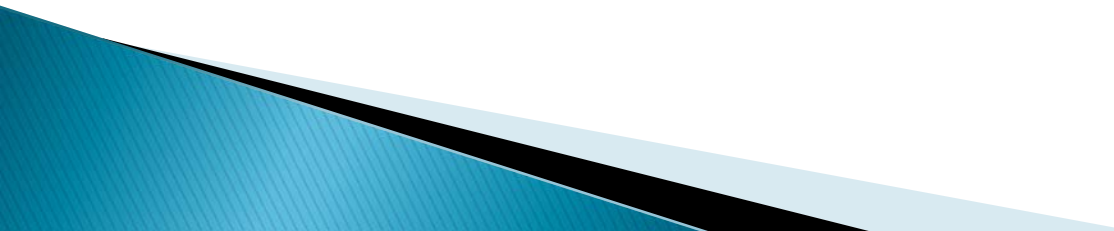
MAGIC Waiver Example – Land Use

- ▶ **Create**
 - ▶ Staff develops the following strategy to achieve the Board's desired outcome:
 - ▶ Adopt ordinance limiting use of phosphorus in lakeshore district
 - ▶ Work with soil and water district to educate farmers upstream on the ditch, and increase native vegetation buffer
 - ▶ Do not adopt NEW 7081–83 rules
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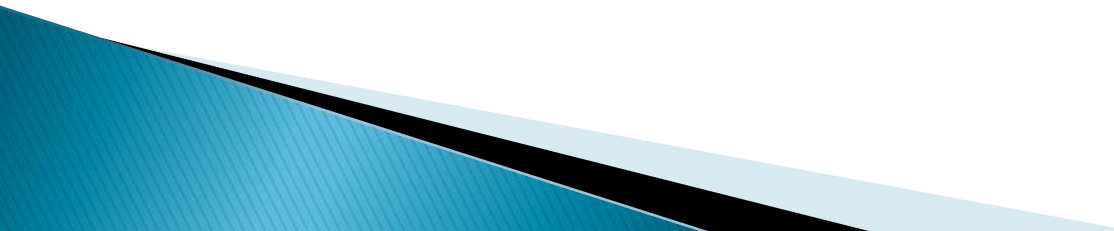
MAGIC Waiver Example – Land Use

- ▶ **Seek**
 - ▶ State Agencies suggest the following:
 - ▶ Recommend new septic systems have an additional 12 inches to mottling beyond current rule
 - ▶ Recommend TSS testing 2x each summer to ensure septics are not cause of unclear water
 - ▶ Both recommendations are implemented in to the strategy
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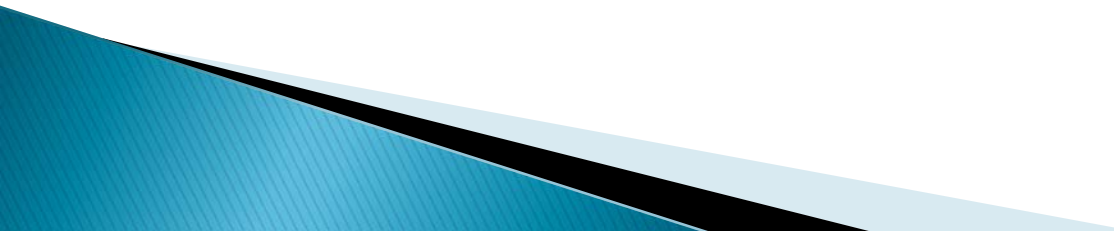
MAGIC Waiver Example – Land Use

- ▶ **Assess**
 - ▶ Staff executes strategy and finds the following during and after the 24 month period
 - ▶ Phosphorus levels decrease by 50%
 - ▶ Water quality increased by 25%, to 10 feet
 - ▶ TSS levels remain the same, within appropriate levels
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MAGIC Waiver Example – Land Use

- ▶ **Report**
 - ▶ Found that the project cost 100k, 50k from cost match.
 - ▶ Upgrading systems to new 7080 rules would have cost up to 600k
 - ▶ Additional water clarity achieved
 - ▶ Water clarity expected to improve due to loss of residual phosphorus
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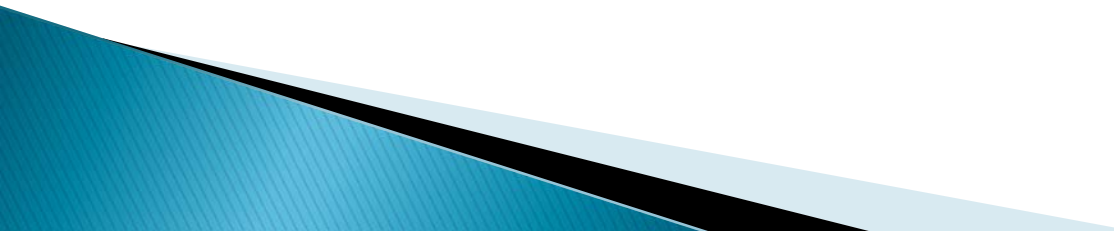
MAGIC Waiver Example – Land Use

- ▶ **Final Outcome**
 - ▶ State re-evaluates 7080 rules in light of findings from study and implementation
 - ▶ Study results are published – other counties use model for potential BMP's on high phosphorus lakes
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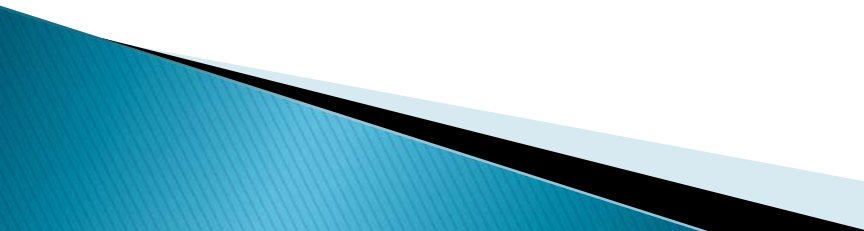
MAGIC Waivers Example – Health and Human Services

- ▶ **Health and Human Services Example**
- ▶ County study finds that based on current case rolls it is 75% more likely that an individual or family is reliant on social welfare systems if the previous generation was reliant on social welfare systems
- ▶ County study finds that the top 20 consuming customers (families) on the system are consuming upwards of 100k in resources each, annually.
- ▶ County finds that it is 90% likely that if an individual or family is involved with a social worker that they are also involved with a financial worker
- ▶ County finds that it is 40% likely that if an individual or family is involved with a social worker that they are also involved with a public health nurse
- ▶ County finds that the current HHS system requires individuals or families to sometimes “get worse off, or stay worse off” to stay eligible for assistance
- ▶ County finds that individuals on multiple programs often have multiple case workers who may not necessarily communicate
- ▶ County finds that resources available often chase problems, rather than increase opportunity

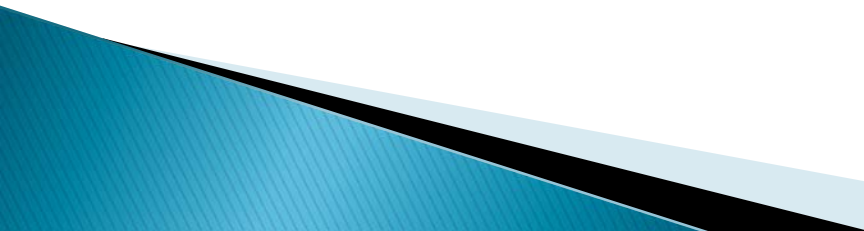
MAGIC Waivers Example – Health and Human Services

- ▶ **Identify**
 - ▶ County Board decides they want reduced reliance on social safety net systems
 - ▶ Outcome: Reduce number of generational cases by 10%, for the right reasons; reduce the average resource usage of the top 20 consuming families by 20% within 24 months.
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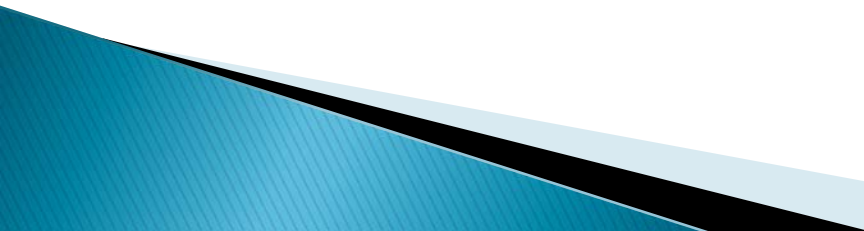
MAGIC Waivers Example – Health and Human Services

- ▶ **Create**
 - ▶ Staff develops the following strategy
 - ▶ County will assign a “frequent flyer” team who will be responsible for taking on the highest consuming generational cases
 - ▶ County will designate a local fund which will be subject to the discretion of the Social Worker and overseen by the County Board for purchases, services, etc, that are key but totally ineligible for funding under state rules
 - ▶ Social Workers will “bundle” resources and collaboratively design a program that will address the needs of the family
 - ▶ the Social Worker and the family will engage in a “social contract” which requires that the family is accountable for outcomes and is participatory in recovery
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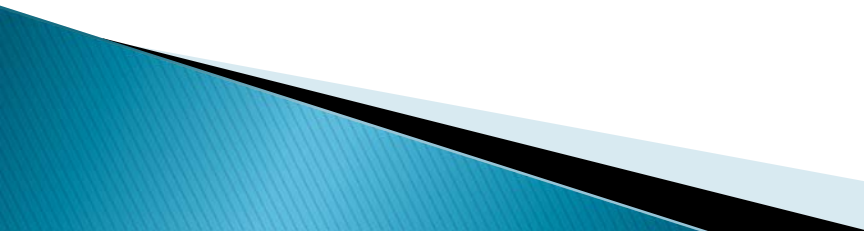
MAGIC Waivers Example – Health and Human Services

- ▶ **Seek**
 - ▶ State agencies suggest the following:
 - ▶ Eliminate the social contract element, reduce penalties for non compliance
 - ▶ Do not “bundle” funds
 - ▶ Staff complies with the suggestion to reduce penalties for non compliance, but continues with bundling funds.
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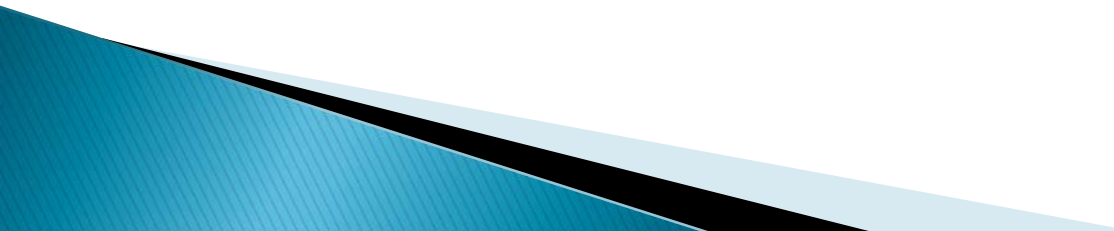
MAGIC Waivers Example – Health and Human Services

- ▶ **Assess**
 - ▶ Staff executes the strategy and finds the following during and after the 24 month period
 - ▶ 24 month costs go up for the top 5 families due to placement of at risk children
 - ▶ 24 month costs for families 20 – 6 go down
 - ▶ 24 month total cost for top 20 consuming families is same
 - ▶ Successfully transition 5% of generational families to the highest possible level of wellness as outlined in their social contract
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MAGIC Waivers Example – Health and Human Services

- ▶ **Report**
 - ▶ Outcomes were not fully achieved, but progress was made
 - ▶ Found that penalties for non-compliance with the social contract needed to be stiffer
 - ▶ Still need to find a method to motivate customers to be as self sufficient as possible – it is “easier” to be on the system than it is to go it alone
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MAGIC Waivers Example – Health and Human Services

- ▶ **Final Outcome**
 - ▶ State launches (and funds) pilot with 5 other counties to determine if results can be replicated
 - ▶ State report should share failures of the program as much as successes
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It's Time to Choose

- ▶ Which model works best, if local governments are truly to be “laboratories of democracy”?
 - ▶ Should power flow from people to local government? Do citizens have a right to local control?
 - ▶ The choice should be voluntary – how entrepreneurial do you wish to be?
 - ▶ Are you ready to fundamentally alter the State/Local relationship?
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