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March 23, 2023

Senator Erin Murphy, Chair
Senate State and Local Government and Veterans Committee
3211 Minnesota Senate Building
95 University Avenue W
Saint Paul, MN 55155

Chair Murphy and Senate State and Local Government and Veterans Committee Members:

The Minnesota Inter-County Association (MICA) represents fifteen of Minnesota's larger and faster growing counties, including four suburban and 11 Greater MN counties.

We appreciate Chair Murphy and the Committee's work this session to consider a variety of bills that support and strengthen local control and accountability. Consistent with those priorities, we write to express our appreciation and support for the following provisions included in the SF1424 A3 DE amendment, the 2023 State and Local Government Policy Omnibus Bill:

- Article 1, section 24, creating **The Office of Environment Sustainability** at the Department of Administration with the inclusion of subdivision 3, providing for the sharing of tools and best practices with local governments.
- Article 2, Sections 1-4 – **expanded investment authority** for certain local governments. In 2017, MICA helped enact the long-term equity investment authority under Minn. Stats, 118A.09. That legislation, however, limits the authority to jurisdictions that have populations greater than 100,000 or that have the highest category bond rating by a national rating. We support authorizing jurisdictions with AA-credit rating to also utilize this equity investment authority. The current law requires participating local governments to take transparent action, to adopt and follow an approved investment policy, and to act within multiple statutory limits with regard to the type and amount of local funds held in equity investments and the type of investment products that can be purchased.
- Article 2, Sections 14 and 17, para. (b), repealing the local government compensation cap, a state limitation that is unique to Minnesota. Particularly in a tight labor market such as currently exists, such compensation caps disadvantage Minnesota employers' ability to attract and retain experts, such as executive leaders, technology and finance professionals, and other experts. At the same time, the limit diminishes local control and accountability by confounding the fundamental link that

otherwise exists for all private/public employers between hiring, retention, pay, and performance management. We support repeal of this limitation.

Thank you, Chair Murphy and committee members for your work on this legislation.

Sincerely,



Matt Massman, *Executive Director*
Minnesota Inter-County Association