



March 26, 2025

RE: SF 2669 – Governor’s Budget Proposal

Chair Wiklund and Members of the Committee:

I am writing on behalf of the Local Public Health Association of Minnesota (LPHA) and our more than 250 members of public health leaders from city, county and Tribal public health departments across the state. Our mission is to work statewide to achieve a strong and effective public health system. I am providing this letter to detail items of support and concern included in SF 2669.

- **Substance Misuse Prevention Grant Restoration** – During the 2023 legislative session, \$10 million per year was allocated to local and Tribal health departments for creating and disseminating cannabis educational related materials, providing safe use and prevention training, education, technical assistance, and community engagement. At the end of the 2024 legislative session, \$3.6 million of those funds allocated for local public health were reallocated to other programs. Local public health is appreciative of the proposal in this bill to reallocate MDH funds to restore approximately \$2.5 million per year to these grants and hope for a full restoration of \$3.6 million per year. Local health departments are already being called upon by community partners to go into schools, work with community organizations and consult with businesses about the impacts of adult-use cannabis legalization and other substance prevention topics. Local public health agencies have a pivotal role in advancing education, preventing substance use before it starts, reducing stigma, and implementing evidence-based prevention strategies to enhance community resilience but need consistent, reliable funding to provide this support. (126.14)
- **Food, Pools and Lodging Fees and Statewide Hospitality Fee** – LPHA is supportive of efforts to ensure MDH has capacity to do environmental health-related inspections, ensuring restaurants and other facilities are safe. However, we are concerned about the recommendation to change the way that the Statewide Hospitality Fee is collected from establishments licensed by locally delegated agencies. Under this proposal, delegated local public health agencies would collect this fee annually at time of licensure and remit these payments to MDH by July 1 of each year. This proposal conflicts with current delegation agreements. This proposed change also leaves unresolved questions—would MDH bill local governments if they are unable to collect fees from establishments? Further, many local health departments have very limited capacity. If locally delegated agencies are serving in a fee collection role for the state, a percentage of that fee should be retained by the licensing jurisdiction for costs associated with collecting the fee. We are engaged in conversation with the MDH to address our concerns and obtain clarity on key issues in this proposal. (57.23)
- **Infectious Disease Infrastructure** – LPHA supports the proposal that provides \$1.3 million per year in ongoing funding to support infectious disease prevention, early detection, and outbreak response. Building capacity at MDH to conduct case investigation, provide technical assistance, education, and guidance to local public health, tribal health, healthcare and other organizations will make Minnesota more resilient in the event of

infectious disease outbreaks such as measles, tuberculosis, or H5N1. (128.4)

- **Reduced Public Health Infrastructure Pilot Projects Grant Program** – The Governor's revised budget proposal also recommends a \$2 million per year reduction to the Public Health Infrastructure Pilot Projects Grant program. This program provides funding to selected community health boards and Tribal governments to pilot new public health delivery models that make health departments adaptive to workforce shortages, use resources more effectively and better address community health needs. For example, one agency implemented a rural data hub pilot project where they utilized their staff and infrastructure to provide data support to 10 neighboring counties. This ensured that each of those neighboring counties didn't have to use limited resources to build their own data infrastructure or hire additional staff to fill this need. As a result of this funding and testing this project, the region gained access to critical public health data that supports informed decision-making and strategic use of limited resources at the local level. Other agencies have implemented shared public health communications models across multiple counties to add capacity, reduce duplication, and maximize cost-sharing. This 1/3 reduction to the funds will directly result in a reduction of innovation and resource-sharing that can happen in local and Tribal health departments.
- **Reduced Emergency Preparedness and Response Sustainability Grants** – The Governor's revised budget proposal recommends a reduction in local and Tribal public health emergency preparedness grants of \$427,000 in FY 2026 and \$423,000 in each subsequent year. Responding to disasters and emergencies—whether health focused or not—is a core responsibility of Minnesota's local public health departments. The COVID-19 pandemic reinforced the need to have a strong infrastructure that can support a robust and sustained response to emergencies, both through planning and response. This investment has already been crucial in building capacity at local health departments. Previously, this work was funded entirely by federal grants which were cut over time, resulting in a system where there was very little capacity to prepare for and respond to emergencies. Given recent announcements at the federal level of significant reduction in COVID-19 related funding, state-level funding is more crucial than ever. This funding has provided each community health board with added capacity to fill gaps in emergency preparedness infrastructure allowing for dedicated staff that can focus on preparing for and responding to emergencies. Cutting these funds impacts our state's ability to respond to the next emergency.

Local public health agencies are on the front lines every day to protect and promote the health of our communities. We look forward to continuing our collective work to improve the health of all Minnesotans.

Sincerely,



Kari Oldfield-Tabbert, Executive Director