

A Shared Vision:

State-Level Governance Options for Children and Family Services

Children's Cabinet

and

**Legislative Commission
on Children, Youth and Their Families**

March 1994

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Director, Minnesota Planning

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Senator Ellen Anderson
Senator John Hottinger
Senator Jerry Janezich
Senator Terry Johnston
Senator David Knutson
Senator Pat Piper

Authorizing Legislation

Minnesota Statutes 1993, section 3.873, subdivision 7:

(f) The legislative commission on children, youth, and their families and the children's cabinet must study and make joint recommendations regarding a state-level governance structure to deliver funding and coordinate policy for children and their families. These recommendations may include structural changes to minimize barriers to and actively promote collaborating and integrating services for children and families in the community. The commission and cabinet must jointly evaluate the need for a new cabinet-level agency for children. The commission and cabinet shall report their findings and recommendations to the legislature by January 15, 1994.

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SUMMARY

In May 1993, the Minnesota Legislature passed legislation requiring the Children's Cabinet and the Legislative Commission on Children, Youth and Their Families to study jointly state-level governance options for children and family services and evaluate the need for a cabinet-level agency for children. Governance is defined as a combination of formal and informal decision-making practices that establish the legal, fiscal, operational, political and economic basis of child and family policy and service delivery. Components can be described further as:

- the legal environment in which child and family services are provided;
- the fiscal condition of, and availability of resources for, health care, education and social services delivery;
- the operational conditions and requirements of service delivery;
- the political process through which public policy on families and children is formed and implemented at all levels; and
- the economic and market factors related to and influencing policy on families and children.

To begin the joint project between the executive and legislative branches of government, a series of discussions occurred between Senator Jane Ranum, chairwoman of the Legislative Commission on Children, Youth and Their Families, and Linda Kohl, chairwoman of the Children's Cabinet. A joint planning process was developed to enable the two groups to share a common base of information and research. The commission and the Children's Cabinet agreed to identify a joint set of findings and to reach consensus on recommendations where possible. Both groups came to the table as equals. In an unprecedented example of collaboration between the executive and legislative branches, the two groups agreed to fund jointly a staff position to conduct the study.

The Legislative Commission on Children, Youth and Families and the Children's Cabinet held six joint meetings:

- a meeting with representatives of the three Pew Charitable Trusts Children's Initiative partner communities;
- a meeting in which staff presented an overview of governance issues and models, along with research on what other states have done;

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- a public hearing at which representatives of successful collaborative efforts in local communities and state agency representatives testified;
 - an informal discussion with Sid Gardner, a nationally recognized expert in children's policy and service-delivery reform;
 - a meeting to identify joint findings and discuss alternative governance models; and
 - a meeting to develop joint recommendations.

A special discussion of governance issues was held with representatives from the Council on Asian Pacific Minnesotans, the Indian Affairs Council, the Spanish Speaking Affairs Council, the Council on Black Minnesotans, and the Council on Disability, to further understand specific concerns about collaborative efforts and ways to make the system more inclusive of communities of color.

This discussion of collaborative efforts included descriptions of how organizations are achieving mutual goals within jointly developed structures and how they are sharing responsibility, authority, accountability, resources and rewards.

Summaries of these meetings are included in the appendix of this report.

Findings

Minnesota has been described as "resource rich." Despite its abundance, its system of services is failing many children and families.

The same social and political dynamics that have produced the abundance of services in Minnesota also have created fragmented, nonsystematic, unevenly distributed services that tend to emphasize expensive, acute programming. Minnesota's challenge is to find a way to maintain its commitment to providing a rich array of services to children and families, while shifting resources to emphasize early prevention of poor outcomes. The goal is to develop an integrated, seamless service continuum to make services for children and families easier to use and more effective.

In this vision of a flexible, comprehensive, family-centered, and outcome-driven service-delivery system, frontline workers will be able to obtain and use the necessary resources and services to help families resolve problems that cross traditional categorical boundaries. Implementing these new forms of practice will require systems to ensure workers are trained in family-centered approaches; are given authority to provide flexible, individualized services; have access and authority to deliver services

across categorical funding streams; and provide services to all family members as necessary to achieve positive outcomes for children.

The Children's Cabinet and the commission share similar visions for Minnesota's children and youth. Both vision statements recognize the development of healthy children as a top priority and the important role families and communities play in supporting and strengthening children and youth.

Decision-making authority rests at different levels of government in different aspects of the service-delivery system. In some cases, decisions will need to be made at the state or federal level. Many policy decisions also will be needed at the local level. Since the design and implementation of initiatives to change systems will take place over a period of years, Minnesota and its communities must develop governance options, policies and procedures that contribute to leadership and vision continuity.

Significant work has been accomplished at the state and local levels in identifying and designing an appropriate means to govern children and family services and perform policy-setting, decision-making and dispute resolution functions effectively.

Governance mechanisms developed locally and at the state level must reflect bipartisan partnerships. The design of local governance structures must include strong family and consumer involvement. Neighborhood or community participants would be elected to the governance boards that would also include elected officials from the county and school boards; all would work side by side at the same table and have equal decision-making power.

Funds should be given to local governance bodies that then would decide how they would be spent. These local boards would be able to use monies for children's activities or services they deemed necessary, as long as standards adopted by the state were met.

The role of state government will need to shift to providing technical assistance. The state must organize itself in a way that creates maximum funding flexibility, helps communities plan and collaborate, and demands accountability for outcomes.

To accomplish this transition, structural recommendations should follow strategy development. Communities must be given time for planning and shared decision-making.

Recommendations

- Based on a review of governance functions and necessary capacities, the following required core elements of a state-level governance body were recommended:
 1. A defined role for key private, private nonprofit, and client and consumer representatives in decision-making designed to include diversity of representation.
 2. The authority to review the allocation of existing resources across systems, reduce barriers and create incentives, including integrated funding, to promote collaboration at the local level.
 3. The legal authority to mandate data collection standards tied to measurable outcomes and to conduct performance and financial audits of system elements.
 4. A legal requirement for public reporting of performance and outcomes.
 5. A requirement for intergovernmental representation in decision-making (providing opportunity for state and local government peer standing).
 6. A commitment to reinvest Initiative savings to meet the needs of children and families.
 7. The authority to provide technical assistance and funding for pilot incentives needed to close gaps in services or to encourage new forms of practice at the local level.
 8. The authority to preview and make recommendations regarding the budget requests of the major public-sector agencies in the collaboration.
 9. The authority to review existing guidelines and recommend future guidelines for training, compensation, recruitment and work standards across systems.
- Minnesota must strengthen its relationship with its congressional delegation on issues relating to children and families. A meeting of the Children's Cabinet and the Legislative Commission on Children, Youth and Their Families with members of Minnesota's congressional

delegation is desired and could serve as the beginning of a strengthened role in joint policy development and decision-making.

- The legislative commission and the Children's Cabinet have found the joint process for this study valuable and agree to continue to meet at the call of the chairpersons. Such periodic meetings should serve as a model for local units of government of joint discussion and decision-making and shared staffing.
- Legislation passed in 1993 requires several Children's Cabinet departments to report back to the Legislature in 1995 with a joint study on an integrated children's services data base. The legislative commission and the Children's Cabinet have agreed to work together on information systems and data privacy issues. The state departments study team will include one representative from the legislative commission. The Council on Asian Pacific Minnesotans, the Council on Black Minnesotans, the Council on Disability, the Spanish Speaking Affairs Council and the Indian Affairs Council will be included at the beginning of the planning process to ensure inclusiveness and diversity in the discussion.
- Based on the evaluation conducted and extensive discussion, no recommendation on the need for a new cabinet-level agency for children is made.

BACKGROUND AND PURPOSE

The joint study by the Legislative Commission on Children, Youth and Their Families and the Children's Cabinet on state-level governance options for children and family services represents an unprecedented partnership between the legislative and executive branches. They worked together to study and develop policy on an integral component in achieving improved and strengthened services for families and children throughout Minnesota.

Significant efforts to reorient and reconfigure the system of services for children and families are underway in Minnesota to improve children's outcomes. Fundamental to these efforts is the recognition that because of service strategy and governance challenges, new forms of partnership must be forged between the public, private and nonprofit sectors, the state and local communities, and the service system and the families and children it serves.

Nationally and within Minnesota, attention has focused on establishing governance mechanisms with authority to set policy and make decisions to change systems. Governance mechanisms that provide for ongoing, meaningful participation by representatives of the community and consumers; the public, private and private nonprofit sectors; and state and local governments ensure that the people who need to participate in changing systems work together.

Changing systems requires planning and implementation over a period of years. This relatively long time span means the state and local communities need to design creative governance options, policy and procedures that can contribute to a continuity of leadership and vision. Political, economic and fiscal transitions are inevitable during planning and implementation. A major objective in designing a new governance mechanism is to provide for continuity in leadership, consistency in approach and vision, and active participation of community representatives, families, consumers, frontline workers, administrators, state and local representatives, and leaders from all sectors. Providing training to people newly involved in changing systems and periodically assessing performance, policy-setting and decision-making systems must be part of the process.

It is also essential to ensure that governance mechanisms adapt over time as the strategies for change are implemented. The governance mechanism designed early in the planning phase may not be appropriate as implementation occurs.

Governance is defined as a combination of formal and informal decision-making practices that establish the legal, fiscal, operational, political and economic basis of child and family policy and service delivery. Components can be further described as:

- the legal environment in which child and family services are provided;
- the fiscal condition of, and availability of resources for, health care, education and social services delivery;
- the operational conditions and requirements of service delivery;
- the political process through which public policy on families and children is formed and implemented at all levels; and
- the economic and market factors related to and influencing policy on families and children.

Increasing numbers of human services, government and community organizations are working together to achieve mutual goals. These relationships, often referred to as collaboratives, include commitments to jointly developed structures and to share responsibility, authority, accountability, resources and rewards.

Key questions often asked to determine whether a collaborative is in a strong position to integrate services include:

- Does the collaborative have the authority to make decisions that cut across the lines between the education, human service, social service, health, juvenile justice, mental health and child welfare fields, among others?
- Does it have sufficient authority from the local and state levels to perform its role in planning and implementing service delivery and systemic changes?
- Can it facilitate new patterns of funding and decision-making, front-line practices and requirements for sharing client information and program performance data?

Representing the interests of many sectors in the community but doing so without any legal authority may work in the short run. Eventually, however, partners will need to conduct their work within city, county or state governments and school districts. Legal authority, public credibility and support of the governing administration are important. Legitimacy as a decision-making forum comes from a demonstrated ability to act on behalf of children and families.

A SHARED VISION

Although Minnesota has been described as resource rich, its system of services is failing many of its children and families. The same social and political dynamics that have produced the abundance of health, education and social services in Minnesota also have created fragmented, nonsystematic, unevenly distributed services that tend to emphasize expensive, acute programming. Minnesota's challenge is to find a way to maintain its commitment to providing a rich array of services to children and families, while shifting resources to emphasize early prevention of poor outcomes. The goal is to develop an integrated, seamless service continuum to make services for children and families easier to use and more effective.

The Children's Cabinet and the legislative commission share similar visions for Minnesota's children and youth. Both groups developed vision statements after discussions with citizens from around the state. The vision statements recognize the development of healthy children as a top priority and the important role families and communities play in supporting and strengthening children and youth. (Additional information about the commission and the Children's Cabinet is included in the appendix to this report.)

To achieve systemic change in service delivery, key players must be committed to a shared vision. Communities must be confident that people in critical positions share the same vision for families and children.

Minnesota's broad vision is based on a new way of thinking about and working with children and families. The state must be an active, visionary leader. It must work with communities to set policy, provide basic funding and establish a developmental framework for service that acknowledges that all families at some time need help in doing some things. This universal approach requires a multistrategy plan that recognizes state government cannot do it all: parents, individuals, communities, schools, churches and businesses must all participate in the effort.

The legislative commission's vision statement for Minnesota's children and youth was adopted in January 1992:

The development of physically, intellectually, socially and emotionally healthy children is our state's top priority. To ensure this, the state shall focus on empowering every child's family. Every family shall be able to draw strength and support from its community.

To ensure Minnesota's future, the state and its communities must make a significant investment in long-term family policies that support and enhance healthy, responsible, and productive individuals by:

- *Developing physically, intellectually, socially and emotionally healthy children;*
- *Preserving, strengthening and empowering families through collaboration among all state services and with other stakeholders;*
- *Encouraging state service providers and other stakeholders to listen to families and respond to their needs;*
- *Enabling communities to provide strength and support to every child's family;*
- *Promoting independence and stability among families through educational, economic and early intervention programs;*
- *Developing a consensus about a realistic definition of today's family that declares the child's best interests to be paramount.*

One of the first actions of the Children's Cabinet after it was created by Governor Arne H. Carlson in February 1992 was to affirm the vision developed with the Action for Children Commission:

Our vision for children and youth sees communities, neighborhoods and institutions around the state devising strategies and goals to enhance their support of families. Every community in Minnesota should adopt and work toward the vision that every child:

- *Experiences reciprocal, positive human relationships;*
- *Feels valued as a family member and a community member;*
- *Lives in a safe, secure, stable environment;*
- *Realizes his or her potential for good health;*
- *Learns to his or her utmost ability;*

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- *Participates as a responsible community member; and*
 - *Values and respects his or her community, the world, and the diversity of its people.*

BUILDING A GOVERNANCE MODEL

To begin the joint project, a series of discussions occurred between Senator Jane Ranum, chairwoman of the Legislative Commission on Children, Youth and Their Families, and Linda Kohl, chairwoman of the Children's Cabinet. A joint planning process was developed to enable the two groups to share a common base of information and research. Both groups agreed that they did not intend to develop two sets of findings and recommendations, but instead identify a joint set of findings and come to consensus on recommendations where possible. Discussion also needed to be facilitated with both groups at the tables as equals. In an unprecedented example of collaboration between the executive and legislative branches, the two groups agreed to fund jointly a staff position to conduct the study.

The legislative commission and the Children's Cabinet held six joint meetings:

- a meeting with representatives of the three Pew Charitable Trusts Children's Initiative partner communities;
- a meeting in which staff presented an overview of governance issues and models, along with research on what other states have done;
- a public hearing at which representatives of successful collaborative efforts in local communities and state agency representatives testified;
- an informal discussion with Sid Gardner, a nationally recognized expert in children's policies and service-delivery reform;
- a meeting to identify joint findings and discuss alternative governance models; and
- a meeting to develop joint recommendations.

A special discussion of governance issues was held with representatives from the Council on Asian Pacific Minnesotans, the Indian Affairs Council, the Spanish Speaking Affairs Council, the Council on Black Minnesotans, and the Council on Disability, to further understand specific concerns about collaborative efforts and ways to make the system more inclusive of communities of color. Summaries of these meetings are included in the appendix of this report.

MAKING THE CASE FOR CHANGE

Children's Initiative Partner Communities

Representatives of the Pew Charitable Trusts Children's Initiative planning partners of Cass County, Becker County and St. Paul discussed their experiences with governance issues. Each site has engaged in extensive cross-system planning and described their local recommendations for a state-level governance structure. (The Children's Initiative is a multiyear, multimillion dollar effort by The Pew Charitable Trusts to restructure and reorient the way health, social and educational services are provided to children and their families. The Initiative emphasizes approaches that are universal in participation, family-focused, systemic and outcome-driven.)

Cass County's planning work has been a cooperative effort between the Leech Lake Indian Reservation and the county. Levels of engagement have been identified for participants in their proposed governance model:

- Level 1 is comprised of family center councils. Their responsibility is to carry out the will of the community in providing easily accessible, desired services to children and families. Representatives will come from schools, local businesses, local units of government, parents, youth, clergy and others, including culturally specific representation.
- Level 1.5 is the county-reservation advisory collaborative. It will advise the family center councils (Level 1) and the Family Services Collaborative (Level 2).
- Level 2 is the Family Service Collaborative. It will serve as the Cass County-Leech Lake Reservation collaborative policy and integrated funding authority. It will act independently with authority from policy boards of the governance groups it represents. Through its integrated funding authority, it will work to unbundle the dollars and put them in a central pot for disbursement to family center councils.

The Becker County-White Earth Reservation Governance model is similar. Its Level 2 Family Service Collaborative is an 11-member board with 54 percent consumer representation.

St. Paul planning activities resulted in the development of key governance principles:

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- development of political will and ownership;
 - broad representation;
 - community vision of outcomes and collaboration;
 - neighborhood control of outcomes and empowerment;
 - shared decision-making;
 - mutual and cross accountability.

These partnerships' recommendations to the legislative commission and the Children's Cabinet included:

- The state should develop governance principles to guide discussion and provide a basis for state and local partnership.
- Differences between geographic and service areas need to be recognized because they will affect how services are delivered to families and children.
- The community must be engaged at the local level for decision-making and control. Power, decision-making, training and education are all needed at the local level.

Overview of Governance Issues and Models

The legislative commission and the Children's Cabinet were given an overview of their shared vision and goals for children and families. The system envisioned is inclusive, universal, preventive and proactive; it is needs-driven and focused on outcomes; parents are participants and the community is a resource. A strategy to achieve the shared vision is collaboration. A collaborative strategy gives participants who have the will to do so the opportunity to fundamentally alter services.

The planning and implementation grants program for family services and community-based collaboratives also was reviewed. This program, created by the 1993 Legislature, provides \$8 million over two years for grants to communities that agree to plan and implement major service-delivery reforms for children and families. All collaboratives must establish a decision-making process and governance structure. Building linkages between local- and state-level governance models will be important.

Among the governance options explored were:

- Governance strategies that include voluntary and mandated collaboration, and mandated integration of services.

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- Organizing principles that include using the existing system as the core, creating parallel or supplementary systems, and creating systems that replace education, health and social service agencies.
 - Possible mechanisms of any new governance structure, such as traditional public agencies, public or quasi-public authorities and private nonprofit or for-profit entities.

Based on the research work of Elizabeth Reveal, published in *Governance Options for the Children's Initiative*, participants were introduced to 10 elements of governance and the issues to watch for in each area. Pros and cons of alternative governance options were explained. Highlighted was the state's unique role in interagency initiatives in providing technical assistance and incentives, creating common definitions, simplifying eligibility requirements, developing joint data bases and other activities.

Senate counsel presented research on governance models in other states, including California, Colorado, Oregon, New Mexico, Idaho and Tennessee. (A copy of the research memo is included in the appendix.)

Public Hearing Testimony

Eleven speakers testified at the public hearing, including: a county commissioner, a county health and human services director, a director of a collaborative in northern Minnesota, and representatives of the United Way, the Minneapolis Youth Coordinating Board, the Association of Minnesota Counties, a community action council, the Minnesota Social Service Association, and a major school-human services redesign initiative, along with two business representatives. Information also was provided on children's mental health coordinating councils, local advisory councils and the Early Childhood Family Education program. Written testimony was submitted by a school superintendent, a Minnesota foundation, and representatives from other community groups.

A variety of recommendations were offered by the speakers, some of them contradictory:

- Any governance structure must be politically feasible, which means it must be able to withstand shifting political tides and be saleable to the public and existing political powers.
- Retain the existing structure as the core; change state law, rules and operations to strengthen local involvement, authority and discretion in service determination and delivery.

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- Use the current county-based system of delivering human services because it is an effective governance structure.
 - The Legislature should pass legislation that provides incentives for counties and schools to work together and is flexible enough to allow local design and policy development.
 - The Children's Cabinet should examine rules, regulations and department procedures to ensure that they focus on outcomes, not processes.
 - Use the Community Social Services Act to provide dollars to counties with minimum controls on how the money should be spent.
 - Develop state-level teams to provide training and technical assistance to local collaboratives. The state should facilitate the sharing of information.
 - Resolve data privacy issues so an integrated data system can be developed.
 - Allow time for bottom-up development of governance structures. It takes time to develop trust. Be cautious in imposing a new governance system.
 - Keep the taxing authority with the school and county boards.
 - The state should set quality standards and outcomes; ensure equity of access and funding; set minimum standards and levels of service; work with the federal government to remove barriers and increase resources; establish performance outcomes and report the outcomes to taxpayers; develop incentives at the local level; and reduce paperwork.
 - Tie collaboration to where the dollars come from, develop formal interagency agreements and give preference to a coordinated model in any funding strategy.
 - Create a state Department for Children and Families.
 - The five most important governance elements include a formal role for key private, private nonprofit and client and consumer representatives in decision-making; the power to control the allocation of at least some portion of existing resources across systems; a requirement for intergovernmental representation in decision-making; the authority to design and deliver line services where needed for closing gaps or establishing new practices; and the authority to review and approve

the budget requests of the major public-sector agencies in the collaboration.

A complete summary of the hearing, including speakers and their comments, can be found in the appendix.

Discussion with Dr. Sidney L. Gardner

The legislative commission and the Children's Cabinet met jointly with Dr. Sidney Gardner, the director of the Center for Collaboration of Children at California State University, Fullerton. Gardner is a nationally recognized expert in children's policies who has direct experience with state and local policy problems and solutions.

Gardner warned that initiatives tend to become projects unless they fit into other cross-system initiatives, such as education, health and welfare reform. There is no model on the shelf for restructuring the service delivery system, he said, and the capacity of the system to resist change is enormous. Putting structure first is a flaw; structural recommendations should follow strategy. The governance structure should be developed last; otherwise, the result is reorganization instead of setting priorities for policies. He cautioned against easy solutions, such as establishing a state department on children, without having the strategies to accompany it. Departmental reorganization issues should be at the end of the process, he said. Gardner also recommended establishing relationships directly with congressional representatives who are "heavy hitters."

Identifying Joint Findings

The legislative commission and the Children's Cabinet focused their discussion on 10 core elements of governance. Additional information can be found in the meeting summaries in the appendix.

Recognizing that there is no simple model to use to build a governance structure, the legislative commission and the Children's Cabinet examined four models in light of the discussion of core governance elements, functions and necessary capacities.

The Children's Cabinet with advisory boards was suggested as a good model, but it was agreed that more than just the executive branch must be involved. This model is very dependent on who the governor is. Outside people are needed to provide continuity. Creating a superagency raised

several concerns, including the fear that it would create another layer of government instead of improving integration of services. The idea of an independent nonprofit entity with tax-exempt status was rejected; conflicts of interest would be a problem and accountability lacking. After discussion of these models, no recommendation on the need for a new cabinet-level agency for children was made.

Representatives from State Councils

A special discussion of governance issues was held with representatives from the Council on Asian Pacific Minnesotans, the Indian Affairs Council, the Spanish Speaking Affairs Council, the Council on Black Minnesotans and the Council on Disability, to further understand specific concerns about collaborative efforts and how the system can be more inclusive of communities of color. Issues raised during the discussion and recommendations from the council representatives include:

- Inclusion must occur in the beginning planning phases. The councils must be included at the front end of decision-making. Inclusion must be made concrete.
- The councils act as advisory bodies. They focus on addressing policy needs; they are not service providers.
- It is difficult to develop good policy without good data. Uniform standards of data collection and methods of identification are needed. Data collection and recording is inconsistent. Standard definitions are needed. A task force should be formed to recommend culturally sensitive data elements and definitions.
- Review committees with council representatives should be created to review policies, procedures, funding and information regarding service delivery at the frontline.
- Funding needs to be tied to accountability. Review committees would devise a system of performance evaluation through which they would review performance and have authority to discontinue funding if diversity goals are not met.
- Collaboratives must be required to provide interpretive services and be culturally inclusive.
- People must be compensated for the time and effort they spend working on issues.
- Monitoring agency compliance and accountability of counties is very important. When councils focus on compliance issues, however, it takes away from their policy roles.
- Training is an important issue. Training can prepare health care, human services and education workers to provide culturally competent, collaborative, family-centered services in a manner that respects the child and family.

FINDINGS

Based on the research, testimony and discussions at the joint meetings, the following findings were developed.

Minnesota has been described as resource rich. Despite this abundance, its system of services is failing many children and families.

The same social and political dynamics that have produced the abundance of services in Minnesota also have created fragmented, nonsystematic, unevenly distributed services that tend to emphasize expensive, acute programming. Minnesota's challenge is to find a way to maintain its commitment to providing a rich array of services to children and families, while shifting resources to emphasize early prevention of poor outcomes. The goal is to develop an integrated, seamless service continuum so services for children and families are easier to use and more effective.

In this vision of a flexible, comprehensive, family-centered and outcome-driven service-delivery system, frontline workers will be able to obtain and use the necessary resources and services to help families resolve problems that cross traditional categorical boundaries. Implementing these new forms of practice will require systems to ensure workers are trained in family-centered approaches; are given authority to provide flexible, individualized services; have access and authority to deliver services across categorical funding streams; and provide services to all family members as necessary to achieve positive outcomes for children.

The Children's Cabinet and the legislative commission share similar visions for Minnesota's children and youth. Both visions recognize the development of healthy children as a top priority and the important role families and communities play in supporting and strengthening children and youth.

Decision-making authority rests at different levels of government for different aspects of the service-delivery system. In some cases, decisions will need to be made at the state or federal level. However, many policy decisions will need to be made at the local level. Since the design and implementation of systemic changes will take place over a period of years, Minnesota and its communities must design governance options, policies and procedures that contribute to leadership and vision continuity.

Significant work has been accomplished at the state level and in local communities in identifying and designing an appropriate means to govern children and family services and effectively perform policy-setting, decision-making and dispute resolution functions.

Local and state governance mechanisms must reflect bipartisan partnerships. The design of local governance structures must include strong family and consumer involvement. Neighborhood or community participants would be elected to the governance boards that would also include elected officials from the county and school boards; all would work side by side at the same table and have equal power in decision-making.

Local governance bodies would receive funds and make decisions for how the dollars would be spent. These local boards would be able to use monies for children's activities or services they deemed necessary, as long as state standards were met.

The state's role would shift to providing technical assistance. The state must organize itself in a way that provides maximum funding flexibility, helps communities plan and collaborate, and demands accountability for outcomes.

To accomplish this transition, structural recommendations should follow strategy development. Communities must be given time for planning and shared decision-making.

RECOMMENDATIONS

The legislative commission and Children's Cabinet members discussed the core elements of governance at several meetings. Revisions in language were offered on several of the elements. The following required core elements of a state-level governance body were approved on January 4, 1994, by an unanimous vote.

- After a review of governance functions and necessary capacities, the following required core elements of a state-level governance body were recommended:
 1. A defined role for key private, private nonprofit, and client and consumer representatives in decision-making designed to include diversity of representation.
 2. The authority to review the allocation of existing resources across systems, reduce barriers and create incentives, including integrated funding, to promote collaboration at the local level.
 3. The legal authority to mandate data collection standards tied to measurable outcomes and to conduct performance and financial audits of system elements.
 4. A legal requirement for public reporting of performance and outcomes.
 5. A requirement for intergovernmental representation in decision-making (providing opportunity for state and local government peer standing).
 6. A commitment to reinvest Initiative savings to meet the needs of children and families.
 7. The authority to provide technical assistance and funding for pilot incentives needed to close gaps in service and to encourage new forms of practice at the local level.
 8. The authority to preview and make recommendations regarding the budget requests of major public-sector agencies in the collaboration.

9. The authority to review existing guidelines and recommend future guidelines for training, compensation, recruitment and work standards across systems.

Additional recommendations approved on January 4, 1994 include:

- Minnesota must strengthen its relationship with its congressional delegation on issues relating to children and families. A meeting of the Children's Cabinet and the Legislative Commission on Children, Youth and Their Families with members of Minnesota's congressional delegation is desired, and could serve as the beginning of a strengthened role in joint policy development and decision-making.
- The legislative commission and the Children's Cabinet have found the joint process for this study valuable and agree to continue to meet at the call of the chairs. Such periodic meetings should serve as a model for local units of government of joint discussion and decision-making and shared staffing.
- Legislation passed in 1993 requires several Children's Cabinet departments to report back to the Legislature in 1995 with a joint study on an integrated children's services data base. The legislative commission and the Children's Cabinet have agreed to work together on information systems and data privacy issues. The state departments study team will include one representative from the legislative commission. The Council on Asian Pacific Minnesotans, the Council on Black Minnesotans, the Council on Disability, the Spanish Speaking Affairs Council and the Indian Affairs Council will be included at the beginning of the planning process to ensure inclusiveness and diversity in the discussion.
- Based on the evaluation conducted and extensive discussion, no recommendation on the need for a new cabinet-level agency for children is made at this time.

APPENDIX

Children's Cabinet and Action for Children

Governor Arne H. Carlson created the Action for Children Commission shortly after he took office in 1991. Appointees, chosen from a broad range of backgrounds and disciplines, reflect the Governor's strong belief that when it comes to children, government cannot "do it alone." The private sector, nonprofit organizations, children's advocates, legislators and government officials must work together to improve the well-being of children and families.

Action for Children spent its first year developing a vision for children and families in Minnesota and examining the state's service delivery system. Its report, *Kids Can't Wait: Action for Minnesota's Children*, outlines the vision for children and families.

Action for Children made six broad recommendations and outlined dozens of strategies to achieve the vision. Among the recommendations was the following:

Overhaul the state service delivery system to produce better results for children and families. Require improved coordination of local, county, state and federal government programs. Make programs and services more accountable for results. Discontinue ineffective or inefficient services, and support services that produce results.

One of Action for Children's recommended strategies was to create a Children's Cabinet, a cabinet-level policy council of agency heads from the major departments with responsibility for children's programs. Children's Cabinet functions outlined in *Kids Can't Wait* included:

- Provide continuing government leadership on issues affecting children and families and strive to realize Minnesota's vision of community concern;
- Work in partnership with Action for Children to foster public, private and nonprofit sector involvement with children's issues, to create a common workplan to achieve major policy goals, and to lead a public awareness campaign to build support for Minnesota's children and families;

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- Develop a state strategy and budget for children and plans for implementation. Member agencies would coordinate their efforts and identify gaps and duplication. The Cabinet would oversee a regular goal-planning and assessment process within each state agency and department.
 - Stimulate local commitment and action on children and family issues by communicating major goals and expectations and providing resources and incentives for communities.

Governor Carlson implemented the Children's Cabinet in February 1992, the day *Kids Can't Wait* was released. The Children's Cabinet consists of the commissioners of the departments of Education, Health, Human Services, Finance, Public Safety, Corrections, Jobs and Training, Transportation, Administration and the Housing Finance Agency, and the director of Minnesota Planning. The Governor designated Linda Kohl, director of Minnesota Planning, as chairwoman of the Children's Cabinet. One of the Cabinet's first actions was to affirm the Action for Children vision and assign itself the role of implementing the recommendations in *Kids Can't Wait*.

Legislative Commission on Children, Youth and Their Families

The Legislative Commission on Children, Youth and Their Families was established by the Minnesota Legislature in 1991 to:

- Study state policy and legislation affecting children, youth, and their families; and
- Make recommendations about how to ensure and promote the present and future well-being of Minnesota children, youth and their families.

The commission is made up of eight representatives and eight senators, and the chair rotates between the House and the Senate every two years. The current chair is Senator Jane Ranum, who succeeded Representative Alice Johnson. The 1993 Legislature appropriated \$130,000 for the biennium to the commission for hiring staff.

Functions of the legislative commission are spelled out in state statute. The commission must:

- Review all proposed legislation concerning children, youth and their families;

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- Study and report on methods of improving legislative consideration of children and family issues and coordinating state agency programs relating to children and families;
 - Study and report on methods of consolidating or coordinating local health, correctional, educational, job and human services to improve efficiency and effectiveness and to eliminate duplication and overlap;
 - Study and recommend specific effectiveness measures to determine the efficacy of programs and services provided to children and their families;
 - Consider and recommend how to transform fragmented, crisis-oriented delivery systems focused on remediation services into flexible, comprehensive, well-coordinated and family-oriented delivery systems focused on prevention services;
 - Review and evaluate what impact the classification of data has on service providers' abilities to anticipate and meet the full range of families' needs; and
 - Report on any laws, rules or procedures that interfere with the effective delivery of community-based services to children and families.

The legislative commission sponsored a workshop at which policy-makers and service providers from across the state discussed the current status of children's services and programs. More than 125 public- and private-sector experts, service recipients and legislators were invited to participate. Participants' responses were used to formulate a vision statement and legislative priorities for Minnesota's children.

A new family services collaborative grants program, created by the 1993 Legislature, provides \$8 million over two years for grants to communities that agree to plan and implement major service delivery reforms for children and family services. Two types of grants are available:

- Planning grants to help collaboratives develop a community plan to improve results for children and families and to design better ways to provide services to children and families.
- Implementation grants to help communities that have developed measurable goals and a comprehensive plan improve services for children and families. Implementation grants must be used to provide direct services to children and families.

Summary of Joint Meetings

October 7, 1993

Senator Jane Ranum welcomed representatives of the Pew Charitable Trusts Children's Initiative planning partners to the meeting to discuss their experiences with governance issues and recommendations for change.

John Fjelstul, director, Cass County social services (a handout of governance levels was distributed): The focus has been on wrapping services together for some time. The Children's Initiative has provided the ideas to move forward. Cass County's planning work has been a cooperative effort between the Leech Lake Indian Reservation and the county. Levels of engagement have been identified for participants in their local governance model.

Level 1 is comprised of family center councils. Their responsibility is to carry out the will of the community in providing easily accessible, desired services to children and families at a family center site. Tasks include assessing community needs, team building, planning, allocation of resources, training and evaluation. Representatives will come from schools, local businesses, local units of government, parents, youth, clergy and others, including culturally specific representation. The intent is to have consumers represented. Communities will determine the size, composition and terms of membership. Authority will be given by the community to organize, plan and implement. Level I may raise funds locally, accept in-kind contributions, collect fees and incorporate as a nonprofit organization.

Level 1.5 is the county-reservation advisory collaborative. It will advise the family center councils (Level 1) and the Family Services Collaborative (Level 2). Tasks include providing information and technical assistance, reviewing and commenting on family center plans, identifying and reducing barriers, obtaining necessary waivers and assisting with evaluations. Representatives are from county nursing and social services, the five school districts, the mental health center, Head Start, child care, Community Action Program, county extension, business, Leech Lake Reservation, youth, jobs and training, housing, and courts.

Level 2 is the Family Service Collaborative. It will serve as the Cass County-Leech Lake Reservation collaborative policy and integrated funding authority. Tasks include establishing clear goals, allocating resources (funding and staff), developing policy and programs, acting as

liaison with Level 3 (the state), advocating for cultural competency in service delivery and evaluating. It will include three representatives of education, three from the county, four from the reservation, and one representative from each family center council. It will act independently with authority from the policy boards of the governance groups it represents. Noncategorical state revenue will be considered for use at Level 2. All grants and new money earned through revenue enhancement activities will be reinvested.

Fjelstul offered two suggestions on what should be done differently:

- A better way of doing business and more flexibility are needed. The system does not move fast enough for changing needs.
- Barriers must be identified and strategies developed to resolve them.

Discussion: Representative Alice Johnson asked how people are involved at the present time. Fjelstul said Cass County planning and implementation teams have been careful not to design the Children's Initiative for people, but to work with people in the community to develop the plan. Representative Johnson asked about the integrated funding authority. Fjelstul explained that they hoped to unbundle the dollars and put them in a central pot for disbursement to family center councils. Local communities must be given permission to experiment here. Senator Ranum commented on the need for increased public education to move away from turf issues and the lack of training available. Fjelstul said education played a vital role and was broadly represented in basic planning activities. Cass County has received money from the Central Minnesota Initiative Fund to hire a community organizer to work on training.

Senator Dave Knutson said the composition of the groups seemed to be almost entirely government representatives. Fjelstul responded that the community shares this concern and efforts are being made to broaden representation. The intent is not to add another layer of bureaucracy. A lot of good programs are available. One goal is to streamline activities to improve the distribution of funds. Turf issues between the reservation and the county do not exist; too much needs to be done, and they are talking together about how to do things better.

Dr. Robert Melick, superintendent of schools, Detroit Lakes: The Children's Initiative has provided participants in Becker County with an opportunity to begin planning together. Melick said the Legislature made outstanding progress this session and thanked legislators for the collaboration grants and waiver legislation. Both demonstrate the state's commitment to communities. There is a fear that the collaborative grants will be so spread out that they will not be truly collaborative and inclusive. The

strength of the legislation is that it will let local people talk with each other in ways that they have not before.

Senator Jerry Janezich asked about the class-size dollars provided by the Legislature and how far the dollars went in Detroit Lakes. Melick responded that the money is being used to cover kindergarten and first grade. The lead time for planning could have been longer. One problem was solved by putting two teachers in the same classroom. Senator Ranum commented on the concern that some communities will receive money but will not use it to collaborate. She said the goal of the planning grants was to get people to the same table. Implementation grants, however, will be carefully screened, and money will not go where the work is superficial.

Mary Heisler, planner, White Earth Reservation: The Becker County-White Earth Reservation governance model is very similar to the Cass County model. Collaboration is the center of focus. A major issue being addressed is how to get people to the family center, which will be open to all and serve all cultures. Inclusion will begin at the time of birth when a Social Security number is assigned. Needs include continued funding, universal access, authority at the local level to disburse funds and accountability clearly defined at the state and local level.

Discussion: Senator Pat Piper commented that collaborations should help communities set priorities. Representative Johnson asked about using the dollars as a catalyst to raise other funds. Heisler responded that foundations and corporations are very focused on the seven-county metropolitan area, and outstate Minnesota needs funds. Grants are seldom given for more than \$30,000. Melick said they have received \$30,000 from the West Central Initiative Fund and \$20,000 from The Pew Charitable Trusts. Senator Piper asked about casino revenue. Heisler responded that Jackpot Junction is in the black and paid \$3,000 to each member of the White Earth tribe, which has 24,000 members. The casino borrowed money that it will be paying on for a long time; money pays the debt before it goes to the reservation. In March 1991, unemployment on White Earth was 73 percent; now it is down to around 60 percent.

Carolyn Engebretsen, former chair, Becker County Board of Commissioners: Prevention is not always funded because it is not mandated. Grant applications should require evidence of participation, not just sign-offs. Cultural differences should be recognized. The county board is looking at not approving programs where evidence of collaboration does not exist. Becker County has 12 school districts and five major administrative centers. Her district includes 40 percent of Becker County. Complying with audit requirements may be difficult if authority and accountability are given to taxpayers.

Maureen Flanagan, deputy superintendent, St. Paul Schools: Ramsey County, St. Paul and the St. Paul school district have all been involved in planning activities. Planning teams have 18 members; 40 members participate in the community advisory group. One concern is that labor has not been included. All three government entities have passed resolutions and support the key concepts of the Children's Initiative. This needs to be thought of as a work in progress, not a project. Key governance principles were developed and agreed to by consensus:

- Development of political will and ownership;
- Broad representation;
- Community vision of outcomes and collaboration;
- Neighborhood control of outcomes and empowerment;
- Shared decision-making;
- Mutual and cross accountability.

Diversity of St. Paul's children is greater than the population overview. A series of key questions about how accountability can occur with a transfer of power are being developed. Flanagan's recommendations on state-level governance include: Articulate roles between local, regional and state players. Create an opportunity for communities to sit down with the state and voice their ideas. The meshing of models can come later.

Discussion: Senator Ranum asked about whether the development of these six principles of governance were critical to the discussion of governance. Flanagan said yes and recommends that the state develop critical principles, but not in isolation; it should be a collaborative process. Senator Ranum asked if Cass and Becker counties have developed principles. Fjelstul responded that they have discussed the same governance issues but have not developed these ideas as principles. He encouraged the state to develop principles. Engebretsen responded that they had also talked about these ideas, but had not reduced them to writing. She views this process as helpful.

Flanagan described how their planning group had met with more than 1,000 parents. Several issues surfaced:

- Uniform eligibility criteria for receiving service are needed.
- Geographic and service areas are different.
- Engagement of the community at the local level is needed for decision-making and control. Power, decision-making, training and education are all needed at the local level.
- Funding streams must be worked creatively.

November 1, 1993

Present: Linda Kohl, Senator Jane Ranum, Ann Schluter (for Linda Powell, MDE), Anne Barry (for Mary Jo O'Brien, MDH), Dick Quick (for Frank Wood, DOC), Representative Wayne Simoneau, Representative Kathleen Vellenga, Senator Dave Knutson, Debra Rae Anderson, Representative Jerry Bauerly, Natalie Haas Steffen, Senator Jerry Janezich, Fred Aden (for Jane Brown, DJT), Laura Skaff (for Natalie Steffen, DHS), Senator Pat Piper, Senator Terry Johnston.

Senator Ranum and Linda Kohl welcomed members to the meeting. The work being conducted in this joint study is historic and provides a new way of working together between the executive and legislative branches. Today is intended to provide an overview of national research on the topic of governance and to provide a context for the Commission and the Cabinet in its future work on governance.

Julie Suchy, Minnesota Planning, began by providing background to the Commission and the Cabinet on shared vision and goals. There is agreement that this is an exclusive, deficit-based, crisis-oriented system. The shared vision for the new system is inclusive, universal, preventive and proactive; it is needs-driven; parents are participants and the community is a resource; and it is outcome-focused. A strategy that has emerged as a means to this end is collaboration. A collaborative strategy enables participants, with the will to do so, the opportunity to fundamentally alter existing services.

Susan Roth, Minnesota Planning, provided information on the past work of Action for Children, the Legislative Commission on Children, Youth and Their Families, and the Children's Cabinet. The groups have developed missions and visions that are very similar, and there is a common focus on reforming how services are delivered to children and families.

Barbara Yates, Minnesota Planning, provided an overview of the planning and implementation grants for family services and community-based collaboratives. Minnesota's communities will be working on developing local governance entities as part of their planning grant activities. It will be important to build linkages between local and state-level governance models.

Suchy reviewed the research materials distributed in the packets and the similarities in the strategies and recommendations for systemic reform throughout the national and international research she reviewed.

Roth provided a detailed presentation on the models of governance and discussed the questions raised when examining legal, fiscal, operational,

political, and economic practices in service delivery. Based on the research work of Elizabeth Reveal, published in *Governance Options for the Children's Initiative*, participants were introduced to the ten elements of governance and the issues to watch for within each area. Pros and cons of alternative governance options were explained. Attention was given to the state's unique role in interagency initiatives in providing technical assistance and incentives, creating common definitions, simplifying eligibility requirements, developing joint data bases and other activities. Discussion also focused on the models used by the current joint policy-making bodies of the executive and legislative branches through the work of the Children's Cabinet and the legislative commission.

Joan White, Senate counsel, presented the results of her research on governance models in other states. Her review included information on six models, including California, Colorado, Oregon, New Mexico, Idaho and Tennessee. A number of questions were raised. She volunteered to prepare more detailed written materials to be distributed to the members.

Senator Ranum commented that there would be additional opportunities to discuss today's material, which was a lot of information to take in at one time. The next joint meeting of the Legislative Commission and the Children's Cabinet is the public hearing scheduled for November 9 from 6 to 10 p.m. Local communities from around the state will have an opportunity to provide input into the joint study.

The meeting was adjourned at 11:30 a.m.

Public Hearing

November 9, 1993

Present: Senator Jane Ranum, Linda Kohl (MN Planning), Debra Rae Anderson (Administration), Representative Jerry Bauerly, Representative Kathleen Blatz, R. Jane Brown (DJT), Ruth Curwen Carlson (for Mary Jo O'Brien, MDH), Lois Engstrom (for Linda Powell, MDE), Ron Hackett (for John Gunyou, Finance), Senator John Hottinger, Senator Jerry Janezich, Representative Alice Johnson, Representative Becky Kelso, Senator Pat Piper, Dick Quick (for Frank Wood, DOC), Natalie Haas Steffen (DHS), Representative Steve Sviggum, Representative Kathleen Vellenga.

Senator Jane Ranum and Linda Kohl provided opening comments on the purpose of the public hearing in the joint planning process of the Legisla-

tive Commission on Children, Youth and Their Families, and the Children's Cabinet. The hope is that this process will result in joint recommendations regarding state-level governance. Members of the groups were reminded of future joint meeting dates: December 3 from 2 to 4 p.m.; December 15 from 8:30 a.m. to 4:30 p.m.; and January 4 from 8:30 a.m. to 4:30 p.m.

Testimony was provided by the following speakers:

Colleen Landkamer, commissioner, Blue Earth County; second vice president, Association of Minnesota Counties (written testimony submitted): Brief background was provided on AMC, a voluntary membership organization that provides educational, intergovernmental and related membership services to counties; its mission is to improve county government in Minnesota. Three alternative governance structures were previously reviewed by staff: (a) retain existing structure as the core; (b) create a new parallel structure that supplements the existing one; or (c) create an entirely new structure. In addition to the elements of governance discussed, any governance structure must be politically feasible, which means it must be able to withstand the political tides as they shift and it must be saleable to the public and the existing political powers.

She recommends that the existing structure be retained as the core and recommends changes in state law, state rules and state operations which strengthen local involvement, authority and discretion in service determination and delivery. Local authority should be vested in locally elected boards. Minnesota has a county-administered, state-supervised system of delivering human services, which includes social services, public welfare services, public health services, and, in 30 counties, correctional services. Sometimes these systems are referred to as community social services, community health services and community corrections services.

Counties have two purposes: they are independent policy-making bodies accountable to their electorate for their decisions, such as property tax levies and specific services they determine to provide; and they are administrative arms of the state responsible to state government for carrying out the programs and policies defined by state statute. Counties have independent authority to raise revenue from property taxes and to establish policies and programs in addition to those required by state and federal law. Counties are considered a general purpose form of government because of the broad range of authority and programs over which they have jurisdiction.

"County-administered" means that counties provide centralized administration, including the hiring of staff, at the local level. They are respon-

sible for assessing the community's needs, developing and funding programs and services outlined in their plans, providing assurance to the citizens and the state that these needs will be met to the extent possible and reporting to the state on the status of programs and services.

State supervision comes as technical assistance, training, financial administration of state and federal money and oversight of county plans, programs and services to ensure that state and federal laws are followed. Counties are responsible for the needs of everyone in the community; creating separate and/or parallel delivery systems focusing only on families with children below a certain age will only fragment the system further. Counties are able to integrate programs, funding streams and services, and work closely with stakeholders developing programs and assessing needs in the community.

The characteristics that must be reflected in an effective governance structure are found in the county-based system of delivering human services. Two examples of effective collaboration were cited: Sibley County's joint school-county program for providing school, health and county public health services, which began in 1978; and Chisago County work with schools in providing collaborative public health and social services in communities.

She recommended that the cabinet examine existing rules, regulations and department procedures to ensure that they focus on outcomes, not processes. State directives must be balanced with flexibility to meet local needs. The Legislature should pass legislation that provides incentives to counties and schools to work together. Legislation should be flexible enough to allow local design and policy development. The county system is established and it works. There is no need to create a new or parallel governance structure to meet the needs of children and families. Counties will work in partnership with the Children's Cabinet, the Legislature and schools in improving an already effective governance structure for all human services.

Pat Conley, Association of Minnesota Counties, responded to recent questions about whether the tax bill could be used to create incentives. There is a need to balance governance with revenue and finance. The state could pay basic property taxes similar to the health care reform basic benefits. These ideas could be discussed more fully at a later time.

Discussion: Senator Piper commented that the perception is that the county only deals with the disadvantaged. Conley responded that this is very true and that educating people is an ongoing function. Representative Johnson asked what prevents counties from doing what needs to happen.

Landkamer responded that nothing is acting as a barrier but that AMC's new governance committee is looking at this. Conley commented that the Board of Government Innovation will provide a good opportunity to identify barriers. Kohl asked about links between schools and counties; how are they integrated? Conley responded that the issue is very difficult and is being looked at in the children's collaboratives arena. Representative Johnson commented that she takes exception to the statement that the county system works; turf battles and fragmentation exist. Landkamer agreed that the system is not perfect. Representative Sviggum commented that other states are experiencing problems and looking for answers. He suggested taking the CSSA and all the dollars available and giving the money to counties with minimum standards in how money should be spent. Conley responded that turning authority back to locals occurs through the CSSA; Minnesota has done this for 20 years. Representative Sviggum commented that we are reinventing what we did 20 years ago.

Peg Landin, Family Service Center Division of Kooch-Itasca Community Action Council: Landin discussed her background in ECFE and the work of Joining Forces in bringing together social service, community mental health, private non-profits and others. Their goal is provide services birth to death. It is very important for intergenerational groups to receive focus; 6- to 12-year-olds get lost in the process. One of the stumbling blocks has been whether governing boards know the role of the state. Landin recommended that training and technical assistance be developed for boards at the state level, including training and technical assistance for county commissioners. She identified space as an issue and discussed how Head Start and ECFE programs work beautifully together; co-location has made this a success. She recommends putting space in schools to enable co-location.

Discussion: Representative Kelso mentioned a new school building being built at the juncture of three counties, which means that three county workers are needed at the school even though the number of children there is small. Landin suggested that one or two workers should be able to contract with all three counties. Workers on contracts could rotate. Representative Kelso asked whether Landin was aware of any place that this is being done. Landin discussed their in-home program that is contracted with a private nonprofit organization; several counties pay into the private nonprofit organization. Representative Bauerly commented on the incredible opportunities to better utilize buildings by locating multiple services in school building. New buildings could have planned space. Are there any suggestions to facilitate this? Landin responded that training and technical assistance should be provided to school boards. Locally, one of their schools was closed and the other is bursting at the seams. The school district is supportive, but it's expensive to keep the building open. Natalie

Steffen commented that it is not unusual for counties to do joint powers agreements; she is aware of one county board and six school districts sharing one position for joint intake. The privacy issue is critical; data privacy is a big barrier between workers. Senator Ranum commented that data privacy is an issue that will receive focus. Representative Johnson asked a question about counties, school districts and private nonprofit organizations sharing expenses, yet Head Start has chosen to build buildings rather than utilize existing spaces. Landin responded that enrollment may change and space is typically not consistent; parent space is important too. Landin referred members to work in the U.S. House to establish a panel of federal agencies to approve waivers for grant and entitlement programs in education, health, job training, housing, nutrition and social services; HR 2856 would require the heads of 10 agencies to sit on an interagency council to approve requests by local jurisdictions and non-profit service providers to bend or break federal rules on funding programs.

Marina Vork, Minnesota Social Service Association (MSSA), health and human services director, Chisago County, also representing Rush City Family Center (outline of written remarks available): Many MSSA members will be actively involved in the change in delivery systems. MSSA is developing its 1994 legislative agenda; a resolution addressing collaboratives will be acted on by the delegates on December 3. The resolution under consideration supports the collaborative efforts with sufficient flexibility to allow a variety of governance structures to meet the diversity of needs in the state and that collaboratives do not require additional expenditures of local property tax revenues. Vork described the Rush City center, located in a low-income area of the county and staffed by a number of groups. The space was donated by a local businessman; his contribution is for three years and is based on one dollar for every three dollars the center obtains from other than local school taxes. The only grocery store in town is located in the mall; the main entrance to the store goes right by the family center entrance.

Vork recommends patience and caution. Problems that her community collaborative is struggling with include differences in budget years; salary differences between social workers and teachers; differing county and school district boundaries; the question of taxing authority and boundaries. Broad questions that need solutions include: how will local contributions be encouraged and handled? Contributions should be district specific. If a separate governance structure is developed or mandated, would it have taxing authority? Who would own the facility? Vork recommends using the existing levy systems because joint funding would help

create the shared responsibility. There is a real need to prioritize; the urge is great to hire a nurse or social worker, spread them too thin and then wonder why the staffing didn't work. The current method of collaboration requires many contracts and complicated systems of funding and reporting to draw down special education, WIC, and medical assistance money.

Vork's suggestions for change include:

- Allow time for bottom-up development of governance structures. What works in one place may not work in another.
- Develop several teams that cross boundaries at the state level. Their responsibility would be to troubleshoot with local collaboratives to obtain exceptions to rules and policies.
- Have a team that would assist with the development of governance options. Their responsibility would be assist local collaboratives in identifying possible structure and providing technical assistance in making them work. They could write up and share a variety of governance options and models for new collaboratives to use.
- Keep the taxing authority with the school boards and county boards. A possible solution for the differing boundaries issues would be for the formula of joint funding to take into account boundaries.
- Explore funding distribution methods that would go to collaboratives similar to the method of distributing funds to the Interagency Early Intervention Committees.
- Build in the encouragement for private benefactors to make a contribution and keep it local without a lot of strings.
- Work on data privacy issues. Gathering releases is important.

Dennis Heitkamp, executive director, Clay-Wilkin Opportunity Center, Moorhead (written testimony): Heitkamp reviewed the Clay County Project Cornerstone collaborative formed of parents and public and nonprofit organizations dedicated to enhancing children's ability to lead productive and healthy lives by strengthening families. Parents, families and consumers will be full partners in the design, implementation and governance; community involvement will be as broadly based as possible. Vision and mission statements have been approved, a fiscal agent has been determined, and a management leadership team has been selected. Heitkamp recommends that local collaboratives must have the authority to make decisions that cut across the education, human service, health, juvenile justice, mental health, child welfare and other service domains. The local collaborative could be structured under the sponsorship of city, county or state government and could create a totally new legal entity. The state should be flexible, but should have a designation or recognition process that also requires designation or recognition by local units of government.

Discussion: Senator Ranum asked how communities of color are involved in Mr. Heitkamp's local collaborative. Heitkamp responded that the farm workers program is involved. Steffen asked whether the joint funding mentioned is integrated. Vork responded that it is joint or shared funding. Representative Kelso commented on the issue of different taxing jurisdictions and the problems in passing a school referendum. Another barrier is upkeep and repair. Steffen commented that there are a number of ways to accomplish activities; for example, every space in Blaine's school is rented by an agency; payments are made through the rental fees, and the county has underwritten the overall debt. Different authorities and relationships have developed. Hospitals in rural areas may want to look at resources and what needs changing; the potential exists all over the state. Vork commented that the Rush City Family Center building was donated, with the remodeling and upkeep costs paid by Head Start and county funds. Jane Brown commented that people are testifying that communities can do the work. What caused this to happen? What incentives can the state give to make this systemic change happen around the state? Heitkamp responded that frustration spurs change. Trust must be placed in people at the local level and resources blended at the local level. He recommends taking the resources we have and giving locals the flexibility to redirect how the dollars are spent. Representative Vellenga noted that there has been discussion about changing schools funding legislation to permit 20 percent flexibility; this should be kept in mind.

Terri Barreiro, senior director, Community Services Division, United Way of Minneapolis Area (a handout on collaboration was distributed): Barreiro framed her remarks by presenting definitions describing the relationships required in cooperation, coordination and collaboration. Barriers identified include: where the money comes from creates a loyalty; boundaries (for example, districts that span two counties); flexibility; and myths about one another and how those myths are reinforced. There must be a common goal. Contracts and formal pledges must be created. Elected officials, top administrators, line staff and secretaries all have to embrace and share the goals and incentives. The role of the state should include:

- Setting quality standards and outcomes
- Providing equity of access
- Providing equity of funding
- Setting service and standards minimums
- Fighting and advocating with the federal government
- Setting performance outcomes and reporting the outcomes to taxpayers. A common set of basic reports should be developed. *Minnesota Milestones* is setting the right direction.
- Providing incentives at the local level over a long enough period of time.

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- Reducing paperwork by 10 percent per year.

What is the structure to make this happen? Barreiro recommends: do not wait for voluntary activities to take their course; tie collaboration to where the dollars come from; emphasize single minimum contact; develop formal interagency agreements; give preference to a coordinated model in any funding strategy; do not require centralized case management (people have different ideas; it reduces access if there is only one model).

Steve Keefe, Honeywell, Inc.: Keefe discussed New Vistas school in Honeywell's corporate headquarters. Its experience is that obtaining waivers is a complicated process. If a new governance structure were this important in a business, there would be accountability in a simple line. Honeywell has been supportive of a state department for children and families; experiences at New Vistas have demonstrated this need.

Paula Prah, Director of Public Policy, Honeywell, Inc.: Messages learned in how students are prepared for school include the need for communities to play a central role and that the coordination of services is critical. Uncoordinated services lead to unhealthy results: the lack of coordination leads to gaps in services, makes sending clear messages about outcomes difficult and sends poor messages to local communities. The five most important elements from the list of core and highly recommended governance elements being considered by the legislative commission and the Children's Cabinet are numbers one, two, five, eight and nine [a formal role for key private, private nonprofit and client and consumer representatives in decision-making; the power to control the allocation of at least some portion of existing resources across systems; a requirement for intergovernmental representation in decision-making; the authority to design and deliver line services where needed for closing service gaps or establishing new forms of practice; and the authority to review and approve the budget requests of the major public sector agencies in the collaboration.] Structural issues are critical. Prah strongly supports a department of children's services. Assistance should be provided to the local level. Reducing the number of state agencies will reduce problems at the local level.

Colleen Burns, director, Minneapolis Youth Coordinating Board (handout available): Burns provided a brief history of the development and operation of the Youth Coordinating Board, which began in 1986 and has a policy, not a programmatic focus. She described Way to Grow as the integrity, heart and soul of the board and described the Neighborhood Early Learning Centers, which are flexible and built on each neighborhood's vision.

Nancy Devitt, School-Human Services Redesign Initiative (handout available): Devitt described the Redesign Initiative as a board-chartered voluntary collaborative. All entities cooperating on this passed formal resolutions and committed money. Implementation is scheduled in 1993 and 1994. An interim body, the Family Futures Commission, has been created as its intergovernmental collaborative entity. The commission will deal with issues of membership and scope of authority. Half of the members will be community representatives, and half will be elected officials. Organizations have designated lead staff to the Initiative and set up partner teams. There is a need to unify collaborations at the local level. Emerging issues related to organizing local collaborative councils include:

- Unifying structure for multiple collaborations. How will this all fit together?
- Infrastructure maturation. Implementing the initiative has taken 18 months so far; building trust cannot be mandated or legislated.
- An integrated data system is important, such as CSIS, Corrections, MAXIS.
- Financing and sharing financing are troublesome. Developing a pooled fund is like going from zero to 10 all at once.

Discussion: Senator Janezich asked why people aren't collaborating and doing these things anyway. What if money were taken away for not doing this? Steffen commented that the Legislature did take money away by not giving any additional dollars; as a result, things were done differently. Devitt said the counties and AMC are working on governance issues and urged that time be allowed for collaborations to take place. Look very closely at the IEICs, she said: they are a good model. Develop written, family-focused service plans with schools and counties involved. Have the dollars follow the family. Representative Vellenga commented on the truancy issue and what needs to be changed about the community belief for kids to be involved in schools. Burns responded that children don't feel at home at many schools, and there are complications due to the inability to go to school because of crisis in the family. Senator Piper mentioned that other states are doing very interesting work in this area and the Legislature had a hearing on this. Representative Johnson commented on the perception that a problem cannot be dealt with because resources are not available. Representative Vellenga said that children need one friend in school and a community effort is needed. Burns commented that the best-run collaborative system is a poor substitute for community relationships.

Ann Jaede, Minnesota Planning (distributed copies of materials from Joan Sykora, Department of Human Services, Children's Mental Health, who was unable to stay to testify): Sykora's materials provide information

on local coordinating councils and advisory councils and the critical administrative framework they bring to the development of the children's mental health system.

Lois Engstrom, Department of Education, ECFE program: Engstrom commented that the testimony heard tonight is very different from what was presented in previous years. Head Start people are talking tonight about universal access. Children and families shouldn't be anonymous in communities; children need many caring adults in their lives. Engstrom urged that installing a new governance system not be done too hastily: do not totally decategorize too fast; the fear is that the money will disappear and not be available for this zero to 6 age group. ECFE legislation has been very important; less return for the money is gained in trying to develop a one-size-fits-all approach. ECFE works in Rush City, New Vistas, and Blaine.

Discussion: Responding to a question from Senator Ranum, Engstrom said that training is critical at all levels and across systems. The state role should be to facilitate sharing of information. Team building is needed up front to make everybody equal. Senator Janezich inquired of Landin, who was still in the audience, whether any private money was being used in her community. Landin responded that Blandin and Northland Foundations have both provided funds.

The meeting was adjourned at 9:15 p.m.

Discussion with Dr. Sidney L. Gardner

December 3, 1993

Dr. Sidney L. Gardner, director of the Center for Collaboration of children at California State University, Fullerton, briefly discussed his work with the Annie E. Casey Foundation and the New Futures Initiative. He identified The Pew Charitable Trusts Children's Initiative as one of several systemic-change initiatives.

He discussed lessons that he has learned from his experience with cross system initiatives. First, despite their broad nature, initiatives still tend to become "projects," individual efforts that then become part of the problem. Minnesota needs to understand how the Pew Initiative fits into other cross-system initiatives, such as education, health and welfare reform.

Another question is budget: how is the Initiative considered — either additive or redirective — in terms of dollars? He cautioned against putting

new dollars on top of existing dollars or being lured into refinancing which forces a return to a categorical system. Where are new dollars going to come from?

The state needs to examine its priorities. There cannot be 42 different priorities. Where will leverage of existing funding occur? The current impact of programs needs to be considered. Where does welfare reform fit in? What is the approach for big ticket systems: education, health, and welfare? If Pew is separate, why are large systems being left alone? The budget framework must be clearer, especially when discussing local funding.

The second lesson is that there is no model on the shelf for restructuring the service-delivery system. Look for humility. People with humility are needed to work on this because of the likelihood of competing plans addressing the other large issues and systems of education and health. Outcome-based budgeting will be critical in the near future. The capacity of the system to resist change is enormous.

Gardner said that putting structure first is a flaw. Structural recommendations should follow strategy. The governance structure should be last. The result otherwise is reorganization instead of setting priorities for policies.

The driving force to collaboration is a clear agenda set by the Governor, legislators, and the public with shared goals and a level of specificity. Mandates are impossible if shared goals are absent. He cited as an example California Governor Pete Wilson bringing agency people together to support strategies for a prevention agenda despite the largest budget crisis since the Depression. That is the value of issues coming from the top.

Avoid easy solutions, such as creating a department of children, without the strategies to accompany it. This only diverts attention and unleashes bureaucratic resistance at a time when the desire is to move forward. Departmental reorganization issues should be at the end of the process.

Senator Ranum asked how can the amount of dollars put into funding children's initiatives by private agencies be determined. Gardner stated that private, for-profit groups are critical and help to develop outcomes. Few nonprofit groups are strong enough to represent a larger sector. Many are trying to protect their slice of the funding.

Senator Ranum asked if the process was flawed if private or nonprofit organizations were not included in the governance study. Gardner stated that where in the process their input is needed must be identified. They do

not need to be involved in every initial detail, but it must be determined where in the time line they fit in. It would be flawed if decisions were made and implemented without their input.

Senator Piper commented that business groups often do not understand the legislative and executive branch processes. Private groups have strong leadership from the top who make the decisions. Legislative and executive branch agencies must use more of a consensus model or a longer and more involved process of joint decision-making.

Erna Fishhaut, University of Minnesota, commented on the structure of governance following strategy. She asked whether the delivery of a joint governance report by January is possible and whether efforts should be made to postpone the timeline.

Gardner said the third lesson was on restructuring. He assumed that the preparations for the Pew grant resulted in a list of system barriers, such as federal mandates and geographic boundaries. Some structural areas are so important, they need to be looked at in a context broader than structure. Health reform will force restructuring, as will education reform. All the federal reforms are new. He advised waiting because there will be only one shot at restructuring and it had better be done right. A critical impediment to efficiency is geographical boundaries. He cautioned against ripping divisions out of agencies and putting them somewhere new.

Ann Jaede, Minnesota Planning, was concerned that decision-making will be at a standstill because of all the entities involved. If one individual does not sign on, what happens? Someone has to make decisions in all of the processes along the line; who will do this? Gardner recalled that this question was raised during development of New Futures. One strategy is to emphasize showing shared purposes, shared agendas, doing homework and building consensus.

Senator Ranum asked about the relationship between the state and its congressional delegation in Washington in terms of collaboration. Gardner said that heavy hitters within congressional delegations are very important and urged establishing relationships directly with them. Examine the degree to which the state takes seriously Vice President Al Gore's invitation to get involved in requesting decategorized funding. The vice president invited communities to work on bottom-up clustering to discuss this issue. Look at how current federal tools and initiatives tie into Pew. Call Minnesota's congressional delegation to discuss the state's possible role. No states have been decided on yet. There will be enterprise and empowerment zones. Look at Title XX economic development money. Discuss these in regard to Pew, not that it is understood how they fit together, but

be aware that they exist. Senator Ranum voiced concerns about decategorizing funding without training. Gardner stated decategorizing is not required, but based on request.

The meeting was adjourned at 3:15 p.m.

December 15, 1993

Legislative commission: Senator Jane Ranum, Representative Alice Johnson, Senator Ellen Anderson, Representative Jerry Bauerly, Representative Richard Jefferson, Senator Terry Johnston, Senator Dave Knutson, Representative Wayne Simoneau, Representative Kathleen Vellenga. House and Senate staff: Maureen Bellis, Lisa Larson, Ann McCaughan, Jayne Rankin, Joan White.

Children's Cabinet: Linda Kohl (MN Planning), R. Jane Brown (DJT), James Denn (MnDOT), Maria Gomez (DHS), John Gunyou (DOF), Linda Powell (MDE), Jim Solem (MHFA), Frank Wood (DOC), Jona Turner (Governor's Office). Children's Subcabinet: Anne Barry (MDH), Connie Greer (DJT), Barbara Nerness (MDH), Dick Quick (DOC), Patricia Ray (Ombudsperson for Spanish Speaking Families), Tom Rice (DOF), Ann Schluter (MDE), Laura Skaff (DHS).

Others present: Pat Conley (Association of Minnesota Counties), Mary Beth Davidson (Hennepin County), Nancy Devitt (Hennepin County), Erna Fishhaut (Center for Early Education and Development, University of Minnesota), Susan Robertson (consultant).

Facilitator, notetakers: Susan Roth, Julie Suchy, Arnie Anderson, Martin Curley.

The joint meeting began at 9 a.m. following separate meetings of each body. Ground rules were agreed to and materials in the packets were briefly reviewed. The focus of the day will be to explore governance options and discuss the ideas presented to the legislative commission and the cabinet at the public hearing and joint meetings. All governance options are still on the table for consideration. This meeting is an attempt to identify areas of agreement or disagreement; it is part of a process to move toward compiling recommendations for the Legislature.

Senator Jane Ranum and Linda Kohl provided opening comments on the work each group has been doing separately. Senator Ranum discussed the legislative commission's all-day retreat on November 30. The purpose of the retreat was to clarify and agree on the commission's role. Short- and

long-term goals and issues to discuss further (such as data privacy) were identified. The commission heard information on and wants to evaluate the concept of a family impact statement. Senator Ranum showed participants a chart that identifies children's programs at the federal level. Copies of the chart will be made for participants. Senator Ranum also noted that Senator Gene Merriam will be replacing Senator Ted Mondale on the commission, and Representative Kathleen Blatz will be replaced now that she has been appointed to the bench.

Kohl briefly reviewed the history of the Children's Cabinet and the process used in learning about system reform. She described how the cabinet's work is connected with the Pew Charitable Trusts Children's Initiative grant process and how this philosophy of systemic change has extended to the collaborative grants. The Children's Cabinet is committed to general principles outlined in Action for Children's report, *Kids Can't Wait*, including development of family centers, shifting from a categorical to a universal system, prevention, supporting collaboration or pooled funding, tying funding to outcomes, and supporting decision-making at the community level. The cabinet created a draft set of governance principles at its retreat. Copies of the draft governance principles for reorganized children and family services were distributed. The Pew Trusts have encouraged a process that includes developing a possible interim governance structure to use until the state is ready for full implementation. Kohl described the interim structure proposed in the state's Pew application, which includes representatives of Action for Children, the Children's Cabinet, the legislative commission and the community.

Representative Alice Johnson asked if the interim governance structure should be considered whether or not the grant comes from the Pew Trusts. Kohl responded that an interim structure is necessary for the Pew application. If this joint study process produces a proposal, it could be used; otherwise, an interim group is proposed in the Pew application. It was suggested by a Pew Trusts liaison that Minnesota look at the Board of Government Innovation and Cooperation as a possible model. John Gunyou, a member of the board, described its work, including its grant review process. The board has the authority to grant waivers. Gunyou sees the board as a helpful model, since it includes legislators, commissioners and administrative law judges, but not as a governance entity.

Susan Roth focused the discussion on the 10 core elements of governance. Substantial discussion followed:

1. *A formal role for key private, private nonprofit, and client and consumer representatives in decision-making.*

Kohl stated that Pew thinks this is critical as does Jim Renier from Action for Children. Representative Kathleen Vellenga agreed it was important but difficult to do with so many community organizations. Kohl discussed differences in communities; some do not have large nonprofit or private-sector groups. Representative Johnson suggested including funding in this section and broadening the definition of *private* to include more than the United Way or business people. Jim Denn cautioned that coordination is needed to bring all of these interests together. Denn has seen private interest wane when there is a lot of red tape. Senator Ranum mentioned the importance of including representatives of communities of color in decision-making. Sid Gardner recommended that the level of funding from the private sector for provision of services be known, but it is not. Maria Gomez brought up the issue of conflicts of interest and how to deal with these. Representative Johnson commented that she supports Senator Ranum's comment and it should be put in writing to ensure inclusion of communities of color. Senator Ranum asked what exactly was meant by the word *formal*; there could be different roles for different groups. Gomez talked about the possible trade-off between effectiveness and inclusiveness because of the need to make decisions quickly. Denn commented that the possibility of conflicts between groups within a community must be dealt with.

Representative Johnson said determining the organization at the state level instead of at the community level should be the focus because of differences in each community. Denn asked if there were models, such as Sharing and Caring Hands, that do not receive government funding and may not be included because of different funding requirements and rules. Denn would not want participation by these organizations to be excluded. Connie Greer discussed community action agencies as successful models that use local government, private, nonprofit and citizen representatives. Representative Wayne Simoneau asked if community action programs were being included. Roth said they were in the Children's Initiative planning process. Representative Simoneau said they should be included within the definition of *key private*.

2. *The power to control the allocation of at least some portion of existing resources across systems.*

Representative Simoneau identified two examples of funding authority given outside the Legislature: the Legislative Commission on Minnesota Resources and the Legislative Advisory Commission. Projects funded by them can be the first cut during periods of budget constraint. This idea needs to be thought through carefully. Gomez commented that this will not be a special appropriation, but funds will be spent in a more coordinated way through existing funding streams. Gomez said state agency

budgets will still exist, but there will be a different way of integrating funds. Kohl discussed the three levels of governance identified by the Pew partner communities in Minnesota; level 1 is family center decision-making; at level 2, all the family centers in the area join together to make funding decisions; level 3 is the state. There has been discussion in one county that the level 2 group may be required to sign off on all state funding requests.

In a discussion of the Community Social Services Act, Barbara Nerness said CSSA funding is required to be spent in a certain way by statute. Senator Ranum agreed that more information is needed on CSSA; it originally had fewer requirements. Gomez agreed and stated that mandates are a source of friction. Maureen Bellis, who had drafted CSSA language for the Legislature and worked on mandates, commented that there is a combination of Title XX, CSSA, and county levies. Many of the Title XX mandates were eliminated at the federal level, and an option exists for the Department of Human Services to grant waivers. Senator Ranum asked if there is anything in CSSA that encourages collaboration; perhaps that is something to research. Gomez stated that CSSA defines a certain part of the relationship between the state and counties. Kohl said it is important to look broadly and include education, health and other system reforms. Gomez agreed that decisions must be made in a larger context. The discussion also focused on problems created by inconsistent cycles of budgeting, geographic boundaries and districts. It was agreed that further research would be helpful on CSSA and other funding.

3. The legal authority to mandate data collection standards and to conduct performance and financial audits of system elements.

Gunyou asked about developing common standards. Gomez said performance standards are needed to ensure quality, not just collect data. Senator Ranum commented on different systems collecting data in different ways; data is not always interchangeable. Representative Vellenga raised concerns about data privacy and not overwhelming people with paperwork. Kohl talked about outcome work done through *Minnesota Milestones* and for the Pew Trusts Children's Initiative grant. Representative Simoneau said outcomes and compliance must be distinguished and the role of audits defined. Simoneau suggested that the legislative auditor conduct an audit. Representative Johnson said it is important to remember that federal law drives many of these practices. Gomez said that counting the wrong things can shift the focus in the wrong direction.

4. A legal requirement for public reporting of performance and outcomes.

The discussion of data collection overlapped the discussion of this element. Senator Ranum said that reporting practices now look at what services families are using and how often those services are used instead of how a family has improved as a result of receiving services.

5. *A requirement for intergovernmental representation in decision-making (providing opportunity for state and local government peer standing).*

Gomez said that “peer” is the key concept here. Senator Ranum commented that she would like to know how to engage the federal government in this discussion.

6. *The ability to levy taxes in support of or the dedication of specific select taxes exclusively to the Initiative.*

Kohl clarified this by explaining how the Pew Charitable Trusts had been leaning toward a model of governance outside of the traditional executive and legislative branches, something more like a port authority. Representative Simoneau recommended that this element be taken out in its entirety. There has never been resolution on entities such as port authorities and mosquito districts in this state. Representative Simoneau said the idea of a taxing authority for children would be the headline in the newspaper no matter what was done; it would detract from the important focus on the issues. Representative Johnson agreed and asked about the ability of the governance entity to raise money from outside sources. Representative Vellenga said the problem is then the Legislature thinks the group has enough money and tries to reduce funding. Gomez said many of the entities that will participate in the Children’s Initiative will already have taxing authority and the ability to raise funds. Kohl stated that the involvement of the private sector is needed in providing funding but how to get it involved has not been figured out yet. Kohl said element number two is an important part of this. The discussion also focused on the ability to take donations. It was agreed to remove this element from the list.

7. *Clear guidelines and agreements on the extent to which Initiative savings can and will be reinvested in capacity expansion (particularly those generated outside of the child and family system — for example, adult corrections).*

Gomez asked what would be done about deficits. Kohl explained that this was more of a Pew Trusts Children’s Initiative concern to ensure that funding savings would be reinvested in children’s programs. Senator Ranum said true measurements that relate to savings cannot now be made, because accurate cost-of-failure analysis is lacking. Representative

Jefferson said recycling is one model for cost-of-failure analysis. Senator Ranum asked how to calculate when investments in family services results in corrections savings. Frank Wood said it would be nice to see corrections costs lowered, but with the politics intertwined with corrections, costs continue to increase. The concept of investing early in children and families makes sense, but when prejudices and fears are aroused, sustaining the level of thinking needed to direct people to prevention spending is difficult. The discussion focused on how to account for savings in different areas and how policies can hurt children by excluding them from school or writing them off in their teen years. The focus must extend beyond children ages zero to 6. Legislators and commissioners discussed the fragmentation of their own systems.

Representative Johnson said that people often feel compelled to focus on one issue at one time; for example, corrections should be lobbying for education at the Legislature. Wood responded that in turn, education committee legislators should come to corrections hearings to work on policies that do not build more prisons. Senator Ranum credited Wood for recognizing the connection between corrections and chemical dependency and hiring corrections staff to work on chemical dependency. Representative Vellenga said a way needs to be found through policy development and implementation to ensure that children's needs are always kept in mind. Red flags should be raised whenever basic needs are not being met. Kohl said the idea of policy crossing agency sectors is something that is being addressed in the Children's Cabinet. Kohl said the legislative committee system operates as a barrier because committees do not work together. Representative Jefferson said he was concerned about agency budgeting and levels of funding. Groups should not be penalized for efficiency or rewarded for excess. Representative Jefferson recommended that people be very careful when looking at savings.

8. *The authority to design and deliver line services where needed for "gap-closing" or to establish new forms of practice.*

Gomez asked if this was referring to the state or local level and whether the governance entity provides direct services. Wood recommended the state provide technical assistance to communities so they can deliver this type of service. Representative Knutson suggested inserting the word *fund*. Participants discussed this suggestion and recommended caution in inserting the word here since other core elements discuss funding. Gomez said that an agency should have the authority for filling gaps in service in ways other than allocating funds, such as having authority to allow new services, but not having to provide them itself. Senator Ranum said this governance board needs to establish clear policy priorities and through policy discussions decide how to address gaps. An example mentioned

concerned the education of Asians and how extracurricular activities are essential. Social services cannot be separated from education systems. Senator Ranum distributed copies of an article, "Ensuring Student Success through Collaboration." Linda Powell discussed levels of funding for extracurricular activities and said these activities are a successful part of children's education. Representative Johnson suggested removing the word *deliver*. Wood said the language should be, "the authority and funding to provide technical assistance and pilot incentives needed for gap-closing and/or to encourage new forms of practice at the local level." Kohl said she would like to see the authority to set standards included; she was not sure if it was in there or should be part of element three or in the audit section. Greer said this was important for local government structures since authority must be at the local level; she recommended that it not be a consideration at the state level. Consensus was reached on substituting Wood's proposed language for element number eight.

9. *The authority to review and approve the budget requests of the major public sector agencies in the collaboration.*

Jim Solem asked if approval occurs at the beginning or the end of the budget process. Because of the complexity of the process, basic priorities are needed. Representative Johnson said this would not preclude the Legislature from acting, since it allows approval. Wood suggested adding the words *review and recommend*. Representative Johnson agreed that *recommend* was better than *approve*. Kohl asked to whom recommendations would be made. Solem said that was the point in asking the timing question; real success comes early in the process. The opportunity for early participation must be there.

10. *The authority to participate in (or possibly assume responsibility for) labor management and collective bargaining and to affect training, recruitment and work standards across systems.*

There was discussion of why this element was included as part of the Pew Charitable Trusts Children's Initiative recommendations. Representative Jefferson said this language would ensure a battle over state- and local-level collective bargaining. Senator Ranum talked about how the state could be helpful in giving guidance on training. Gomez said recruitment and improving diversity and inclusiveness are two important areas to focus on. Kohl supported Senator Ranum's suggestion on training. There is a need for new and different types of training to support changes in service delivery, such as for family center workers. Kohl asked if there should be a separate clause for training. Gomez agreed that training is critical to any quality assurance. Representative Vellenga commented that training institutions often are not in touch with realities in the outside

world and that training offered is not helpful. Solem asked that element number 10 not be dismissed that quickly; collective bargaining decisions need to support collaboration and innovation. Representative Vellenga agreed but said authority is needed and many training programs do not fit into this system, such as teacher training. Representative Johnson saw a problem between the state and local roles. Roth suggested tabling this issue for now and discussing it further at the next meeting.

The meeting next considered four governance models. Participants divided into four groups. Each group discussed one suggested model of governance and considered their proposed model in light of the discussion of the core elements, functions and necessary capacities of governance. Handouts of the proposed models were distributed.

The groups reported back on their discussions. Kohl spoke about model A and said it was what Minnesota has now, a Children's Cabinet with advisory boards. It is a good model, but needs more than just the executive branch involved. It is very dependent on who is governor. Outside people are needed to provide continuity. The Legislature may want to have a children's oversight committee, perhaps part of the legislative commission, instead of having legislators make funding decisions on separate programs, appropriating an amount for children, and then giving another body the power to allocate funding. Representative Johnson thought the last sentence within the description is a good role for the Children's Cabinet: "The Cabinet Council is responsible for developing a statewide plan for services for children and families, which forms the basis for the Governor's Recommended Budget submitted to the Legislature." Senator Ranum raised an issue discussed at the legislative commission's retreat: should commission members be advocates outside the Legislature. The commission members reached consensus that their main focus is work at the Legislature.

Representative Vellenga spoke for group B. Three of the four group members thought the model of a superagency was a bad idea and agreed to balance integration of children's services with integration of other areas. The Children's Cabinet seems to work for now. Concerns were raised about starting a superagency. Regional boards would be an extra layer of government. The state makes too many decisions on gaps in services. Ten judicial districts or regional areas may work well. The group did not discuss that people participating would be appointed by the governor and Legislature; nominations may be needed from local units.

Representative Bauerly spoke for group C. This seems to be a break-the-mold model. It has a lot of local input, but not much local control. It

seems to give power to appoint commissioners away from the governor. The idea was found to be intriguing but not workable.

Group D said to forget the model of an independent nonprofit entity with tax-exempt status. Accountability is missing, and conflicts of interest would be a problem.

Nerness said that what is being talked about in these joint meetings of the Children's Cabinet and the legislative commission parallels work that is being done within executive branch agencies through the governor's office. A small group was convened by the governor to advise him on how to move forward the state's agenda for children. Nerness wanted to inform participants that this work is being done and suggested that the groups work jointly in some way or share findings. Greer stated that on many issues discussed today, there is agreement. Legislators suggested that time was needed to consider this proposal to work together; there was concern about political advantage being taken. Kohl stated that the governor's proposal is indicative of his interest and that the cabinet would like to work with the legislative commission and explore putting together a core bill. Representative Johnson stated that the support of the governor is needed to get a bill passed. Kohl said she believes the governor would like to bring something together jointly for children.

Participants were asked to spend a few minutes identifying the larger issues that people thought should receive focus. For example, funding streams were discussed. Representative Bauerly talked about crime being a major focus at the Legislature and the public's perception that locking people up is the answer. The discussion focused on different examples of schools where children's needs were not being met. Policy needs to encourage creative solutions with the needs of children in mind. Senator Ranum asked about rewarding school districts that have low problem levels. Roth asked the group to identify incentives that have worked. Representative Vellenga mentioned the family-based services grant. Representative Bauerly mentioned Kentucky's education reforms. Roth said Pat Conley had talked at an earlier meeting about building in flexible money in the tax bill.

Senator Ranum said people who collaborate need to be rewarded if collaboration is considered a good idea. Representative Bauerly said the trend is to receive money only if there is collaboration. Representative Vellenga asked what happens to the children if collaboration does not occur in communities. Laura Skaff said that some of the incentives are created at the state level and given to local communities. Collaboration by itself is not necessarily the answer; rather, it is what happens along the way. Nonfiscal streamlining incentives are an option. The idea is not to remove

major requirements, but small, administrative ones. Skaff stated the problem is that not all communities are alike.

Solem related his experience in mandating collaboration for housing grants, where a major requirement was bringing together the people needed to keep kids off the street. Many applicants ignored this requirement and were not funded. Applicants did not think it was a serious requirement and were disappointed to find out otherwise. The state has to be dead serious about this requirement and stick to it. The state's responsibility is to look for opportunities to encourage and help collaboration. Also needed is some way to pull out parts of funding streams to keep collaboratives going for the long term; sometimes small amounts are very helpful. Solem said he has run many grant programs and learned more from this one, which is based on setting boundaries and letting people make their own decisions.

Jane Brown commented on the need to look at how well the programs are serving the clients. With so much change and new information available lately, people know things can be better but do not know how to get there. Representative Vellenga stated that the difficulty in children's policy work is that the money is not given directly to children, so it is difficult to determine who the customer is. Class and race play a role in this.

Participants were asked to focus on the best way to move forward in this process. Senator Ranum referred to the spiral diagram for collaboration, provided in the materials, and said that the group is not at an advanced enough stage to make final decisions. The process is long and needs to be careful and thoughtful. Ann Schluter agreed, saying trust and transition require a thoughtful process. Solem said people expect that everything will keep changing every two years and will not fight the fights needed since things will change. Senator Ranum commented that she and others have heard communities, pleas that the state stay on course and give them time to make collaboration work.

Solem said that the Legislature needs to find political value in the care and feeding of good programs, not creating new programs each session. Kohl said another barrier is technical assistance; funds for this are almost impossible to obtain from the Legislature. There must be recognition that collaboration is not fast or cheap. Maybe it needs another name. Solem responded that one problem with technical assistance is as simple as budget format; the format may need to be changed to support collaboration.

The meeting concluded with discussion about sending detailed meeting summaries to all members, possibly with joint findings contained in a

separate document. The next joint meeting will be January 4, 1994, from 10 a.m. until 4:30 p.m. (the meeting will end earlier if work is concluded). Participants agreed that the cabinet and the legislative commission need to meet separately on January 4 before the joint meeting begins.

December 28, 1993

Participants: Lester Collins (Council on Black Minnesotans), Mario Compean (Spanish Speaking Affairs Council), Clell Hemphill (Council on Disability), Representative Alice Johnson (Legislative Commission on Children, Youth and their Families), Linda Kohl (Children's Cabinet), Senator Jane Ranum (Legislative Commission on Children, Youth and Their Families), Patricia Torres Ray (Ombudsperson for Spanish Speaking Families), JoAnn Stately (Indian Affairs Council), Hoa Young (Council on Asian Pacific Minnesotans). Staff: Ann McCaughan, Susan Roth, Julie Suchy.

Jane Ranum opened the discussion by welcoming the participants and commenting on the desire for state government to be more proactive in including the perspectives of diverse communities in policy decisions. Today's meeting was designed for discussion of specific concerns of the councils relating to collaborative efforts and ways the system can be more inclusive. Each representative was asked to address issues of importance to them.

Lester Collins began by speaking about the problem of the councils being included as equal players at the table in policy-making. They are often not included in the beginning planning phases. They have no direct authority over resources, policies and programs within departments affecting their community members. They act as advisory bodies. The grant-making process was noted as a barrier, because groups must employ a skilled grant writer, something smaller groups often cannot do. An issue with broad implications is the controversy surrounding placing children of color with relatives or in foster care and the dollars spent for their care. The councils need to be informed at the front end of decision-making in foster care and other policy decisions. A major concern is the lack of responsibility by departments in carrying out what's on the books. An example of this is the lack of information from DHS on child placement numbers. The most recent foster care information is a 1991 report. It is difficult to develop good policy without good data.

Mario Compean sees the role of the councils as focusing on and addressing policy needs, not as service providers. Service providers must be included in the process. He has communicated with providers in his

community, and his comments include their suggestions. Inclusion must be made concrete; it must go beyond symbolic acts. A formal role for key players must be mandated. He suggested creating a number of review committees with representatives from the councils to review policies, procedures, funding and information on service delivery at the frontline level. Committees must be large enough to include enough representatives of the different communities because there is much diversity within the different councils. He voiced concern that collaboration is a foregone conclusion. Service providers are concerned about what will happen to them when collaboratives are created.

Funding needs to be tied to accountability. Review committees should devise a system of performance evaluation through which they would review performance and have the authority to discontinue funding if diversity goals are not met. Service delivery agencies lack culturally competent staff; having linguistically competent staff is critical. Collaboratives must be mandated to provide interpretive services and be culturally inclusive. Uniform standards of data collection and methods of identification are needed. Collection and recording of data are inconsistent. Standard definitions are needed. A task force should be formed to advise what the definitions should be.

Clell Hemphill spoke about inconsistent leadership at the top; as leadership changes, policy changes. He is concerned that the education system and services for the disabled are not the same across the state. Interpretive services are needed. Access to school buildings and unemployment of the disabled (50 to 75 percent are unemployed) are important issues. Using bonding money in school districts to fix service-delivery problems is an uphill battle. Additional issues include high dropout rates and lack of professionals of color or with disabilities. Subsidies and free tuition could help change this. It is unrealistic to expect people to volunteer their time to work substantively on these issues; he noted that no one in the room was a volunteer. There is a need to acknowledge that people must be compensated for the time and effort they spend working on various issues.

Patricia Torres Ray commented that her main concern is what will happen after discussion of these issues. She suggested an agreement, resolution or a practical application of the collective recommendations. She stated that groups working with children (such as the Legislative Commission on Children, Youth, and Their Families and the Children's Cabinet) are not challenging laws or acts that concern communities of color (for example, legislation to cut services to undocumented aliens). She asked who will research how much children and families who do not apply for services and then have crisis situations actually cost society. She also noted that no one is holding counties accountable for implementing the policies and

laws already in place. Monitoring agency compliance and accountability of counties is very important. There is an impact on communities of color if policies are not being implemented as written.

JoAnn Stately agreed that state agencies need to follow mandates. When councils focus on compliance, it takes away from their policy roles. Advisory committees are being excluded. Training is part of this issue. The Indian social worker training program was successful and should be reinstated. Another successful program is the Indian Child Welfare Law Center, which focuses on issues of justice, protection of rights and compliance. Indian people are often under two different sets of laws. The system treats communities of color differently. Models are proposed for change but stay on the shelf; needs are not addressed, Indian people do not want to stay with an institution that lacks commitment to diversity. Media coverage of problems is falling on communities of color, and a backlash is growing. Long-term commitments are needed.

Hoa Young said that communities of color have many issues in common. However, there are significant differences between groups represented by the council (for example, Vietnamese, Laotian, Hmong, Cambodian). Differences exist between people who come to the United States by choice and those who are refugees. Many people who came as refugees have more needs. Issues often depend on their history, education and how much exposure they have to the Western way of life. The Hmong were a minority in Laos; most were not in school and were farmers, soldiers, and silversmiths. These skills are hard to transfer. Employment is not presented as an opportunity, but as a penalty. The council is not a service provider. There are many problems with lack of interpreters because funding was taken out of the health care bill. A law mandates interpreter services, but DHS is not following it. She is very concerned that people in departments are not being held accountable, such as in the area of out-of-home placements. Every mechanism is there but not enforced. Do not talk about additional money, look at accountability.

Following the discussion by the council representatives, Senator Ranum identified some common issues that could be addressed:

- **Data collection:** There is a need for common, universal identification and standard definitions. There is a need to consult the councils when developing these. Data needs to be used for accountability. Linda Kohl said a number of data issues have been identified as part of the Pew Children's Initiative, including definitions for programs, children and families. She described the work that will begin soon on the integrated data base project required by legislation. There was discussion about who needs to be a part of this group, and it was agreed that the councils need to help identify data elements and participate in this work.

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- Professional development and training: There is a need to acknowledge that different cultures are excluded from the elementary, secondary and higher education systems. The lack of inclusion of minority teachers and line workers often is caused by seniority systems. Hoa Young commented that no state school had courses on Asian language and culture; this raises the issue of how a child learning of his or her culture within the family feels when there is no affirmation at school.

Additional discussion followed. Information is going to be a big issue in the next several years. Accountability across service-delivery systems also needs to be addressed. Compliance with existing laws and regulations regarding policies and mandates for diversity is critical. Representative Johnson commented that legislation must be backed up with money; there is resistance to supporting programs that will help.

Participants agreed that the discussion was helpful. Senator Ranum, Representative Johnson and Linda Kohl thanked people for coming to the meeting.

January 4, 1994

Legislative Commission: Senator Jane Ranum, Representative Alice Johnson, Senator Ellen Anderson, Representative Jerry Bauerly, Senator John Hottinger, Senator Jerry Janezich, Representative Richard Jefferson, Senator Terry Johnston, Senator Pat Piper, Representative Kathleen Vellenga. House and Senate staff: Ann McCaughan, Maureen Bellis, Jayne Rankin, Lisa Larson, Joan White.

Children's Cabinet: Linda Kohl (MN Planning), Debra Rae Anderson (Administration), R. Jane Brown (DJT), James Denn (MnDOT), Maria Gomez (DHS), Mary Jo O'Brien (MDH), Linda Powell (MDE), Frank Wood (DOC), Jona Turner (Governor's Office); Bev Turner (for Commissioner Jim Solem, MHFA), Barbara Nerness (MDH), Laura Skaff (DHS), Connie Greer (DJT), Dick Quick (DOC), Ann Schluter (MDE).

Others present: Pat Conley (Association of Minnesota Counties), John Doman (Minnesota Council of Child Caring Agencies), Susan Robertson.

Facilitator, notetakers: Susan Roth, Julie Suchy, Martin Curley

The joint meeting began at 10:30 a.m. following separate meetings by the legislative commission and the Children's Cabinet. It was agreed that discussion would begin with a review of the ideas developed by the legislative commission during its morning meeting. Several of the core

governance elements were reexamined, including core elements one, two, seven and ten. Senator Ranum noted that the commission suggested changing the word *formal* to *defined* in element one. There was support from the cabinet for this change. With the change, element one reads: "A defined role for key private, private nonprofit and client and consumer representatives in decision-making designed to include diversity of representation." A decision was made to defer discussion on the other elements until later in the morning.

Laura Skaff asked what governance structure people are thinking about. Representative Johnson asked if there was a need to have the governance structure determined by the end of today's meeting. Skaff raised concerns from her commissioner, Maria Gomez, regarding the constitutionality of some of the proposed governance structures in light of the separation of powers in the Minnesota Constitution. She suggested that it is necessary to talk about the composition of the governance structure. Senator Piper stated that the legislative commission has discussed this concern as well. Skaff stated that this would be a major concern if there is a decision regarding funding and budgets. Connie Greer stated that statute defines how funds will be distributed; the Legislature alone decides. Susan Roth suggested using the elements of governance as a way to focus this discussion. Skaff asked if the proposed governance model would make recommendations to the Legislature or if joint decisions would be made within that group. Senator Ranum stated that she didn't believe that the Legislature would give up decision-making authority. Skaff asked how the separation of powers will be built into the new structure.

Senator John Hottinger commented that children and families are a popular issue right now, but that will eventually end. Senator Piper stated that people in the private sector do not understand how the legislature and executive branches operate; the private sector is much more dictatorial. She said government is more democratic and messy, but it works. Representative Johnson stated that legislation does allow for some resources to be distributed across jurisdictions. What is being discussed are core elements of a changed governance structure that does not yet exist. The discussion is focused on the need to change the current governance structure because of the problems with the service-delivery system; this process of discussing governance elements is directly related to the desire to improve this system. Senator Ranum mentioned the discussion with Sid Gardner in which he cautioned that there is only have one chance for change. Greer suggested that the core elements are fine but perhaps the language is too strong within them. There was further discussion on softening the language used in the core elements.

The legislative commission members returned to the suggestions developed during their morning meeting. Senator Ranum commented that the group discussed deleting number seven; it is linked to number three, and it is understood that data collection standards must be improved, but it may be premature to be discussing investment of savings since data collection is not accurate. Linda Kohl stated that deletion of this element is problematic because it is a key element of the Pew Children's Initiative. There is an expectation that any savings that result should be spent on children and families.

Senator Ranum raised a concern about the accuracy of measurements within the current system. Investment in children and families is a long-term process and will not show immediate savings. She questioned whether it should be a core element despite the Pew requirement. Kohl responded by saying that it is more a philosophical concept in support of reinvesting savings back into child and family programs instead of moving it to some other area, such as transportation. Senator Piper was concerned that this element sends the wrong message, that it implies there really are savings to be found within systems that are very underfunded in the first place. When needs are examined, there is never enough money in the system to meet them. Representative Jerry Bauerly suggested changing the element to read as a goal or strategy. Jane Brown commented that she was surprised that a discussion of shifting savings to other areas was even taking place, because her department's focus was on expanding services if dollars were saved in an area; funds would be shifted to improving services in another area.

Gomez raised the concern that she would not like to see a focus on artificial savings, since the funding must be long-term. How will savings be computed? She suggested stating that to the extent that savings can be determined, they should be reinvested. She cautioned that any savings may be spent in calculating the savings. Mary Jo O'Brien agreed, commenting that in the short term, savings are actually shifted costs, not true savings. Jim Denn questioned how the savings would be determined and what the phrase "capacity expansion" meant, since it seems to be assumed that this is necessarily good. Gomez stated that it is necessary to show a commitment to measuring outcomes and improving the system. Agreement was reached on the following language: "Commitment to reinvest initiative savings to meet the needs of children and families."

Senator Ranum opened the discussion on the legislative commission's recommendation to revise element ten. There was general agreement on part B regarding training, but there were strong reservations about part A, collective bargaining. Would it send the wrong signals if there was discussion of overseeing the collective bargaining system? Gomez asked if there

was general agreement with part B. Representative Johnson was concerned with the word *authority*. Kohl suggested changing *establish* to *develop* and asked if this group did not have the authority to set standards, who would? Representative Johnson responded that the Legislature could set standards. Gomez was concerned with the number of standards already in existence, that much work has already been done in this area, and perhaps there should be a mechanism here for evaluating the standards and changing them if necessary. Kohl suggested that the governance group could review existing guidelines and develop future guidelines.

Senator Piper raised the issue of compensation and suggested that it belongs within this element. She sees that many of the service providers are not even paid minimum wage; while training is important, the issue of wages cannot be ignored. Brown agreed and commented that this is a dilemma because we don't want to price services out of the range of people who need them. Senator Piper commented that this issue must be on the table since nothing will be resolved until it is acknowledged and discussed.

There was discussion of discrimination in traditional women's professions, of pay equity issues, and how compensation is tied to collective bargaining. Frank Wood suggested taking all of these variables just discussed and developing guidelines for where compensation should be. Linda Powell raised concerns about budgeting and the risk of making the hard choices of eliminating needed programs because of salaries. Senator Ranum mentioned that teachers are well paid and valued in Asian countries. Senator Hottinger stated that compensation is an important issue and should be on the table because that is how we measure value in this country. Kohl agreed and suggested including oversight of training standards. Agreement was reached that element ten should be changed to: "Review existing guidelines and recommend future guidelines for training, compensation, recruitment, and work standards across systems."

Discussion then focused on element number two. Senator Ellen Anderson commented that this discussion brings us back to the question of whether everyone is comfortable with this proposed governance group giving away money, and if it will be giving away money, will it be setting standards. Representative Bauerly stated that this discussion provides the opportunity to work out the role of a governance body. He commented that it should be an advisory body. Kohl stated that the entity is not worth having if it has no authority; no one will listen to it.

Participants were asked if there is a way to modify an outside entity to act with this authority. Should this entity be participating in giving out resources in areas such as grant-making? Representative Johnson suggested

the possibility of this entity having authority over cross-systems funding. Representative Bauerly said some of the competition between community groups for grants needs to be removed and collaboration or integration of funding required. He suggested the focus of financial control should concern not the larger systems in existence, such as schools, but grant-making authority.

Senator Ranum stated that the family service collaborative grants were designed to reduce competition. Skaff agreed that a very appropriate focus of the governance structure should be to reinforce collaborative efforts and reduce artificial barriers that exist at the local level. Senator Ranum suggested that if CSSA policies are decided based on an interpretation of the act, perhaps the language should be changed to foster further collaboration and integration. She suggested identifying programs in which there are inconsistencies. Representative Johnson suggested compiling a report on allocation of existing resources targeted at reducing barriers and establishing and providing incentives for increased collaboration. O'Brien suggested creating incentives for agencies that give a higher priority to grants with certain stipulations. Kohl reiterated that unless the governance structure has the ability to give out resources, it is not a governance structure. Brown agreed, saying that it is true that the one with the purse has the power. The governance structure will be weak if it has no control over funds.

Kohl stated that part of the problem is that many funds are subject to federal requirements. A study by the subcabinet should provide information on what funding is coming in from the federal government and what changes need to be made. Skaff stated that funding cannot be viewed only as an incentive; reduced requirements and streamlined planning are also good incentives. Consideration needs to be given to how to reduce barriers to integration of funding at the local level. Representative Vellenga stated that there is a need for joint resources for collaboratives and integrated funding. Skaff stated that she was trying to get at the state's role in reducing barriers. Representative Johnson asked if the discussion was getting back to jurisdictional problems. The participants reviewed various proposals for revision of number two and adopted the following: "The authority to review the allocation of existing resources across systems, reduce barriers and create incentives including integrated funding to promote collaboration at the local level."

Roth asked for formal approval of the revisions of the core elements. With a quorum of the legislative commission and the Children's Cabinet present, a formal vote to adopt the revised list was taken. The revised list was unanimously approved.

Senator Ranum suggested the next order of business was a vote on the need for a new cabinet-level agency for children. Representative Vellenga stated that based on the evaluation of the group there appeared to be no need for a new agency. Senator Ranum wanted discussion in the report specifically as to why it was not recommended. Kohl stated that the Children's Cabinet had not discussed this and was not ready to eliminate the possibility of a new agency. Brown stated that the concept of a new agency had not been discussed. Kohl agreed and said that recommendations have been developed for a governance structure, but there had not been joint discussion regarding the shape this structure would take. Representative Vellenga said that a vote may not be necessary in light of the language in the statute. Senator Ranum stated that she thought the cabinet-level agency was discussed at the December 15 meeting. Kohl agreed that four models were evaluated but not at the level of specificity required to eliminate this one. Several different recommendations were discussed. Brown suggested summarizing the discussion in the report and stating that there is no recommendation. Representative Vellenga made a motion that there is no finding on the need for a cabinet-level agency at this time. Kohl stated that what she heard was that consensus was not reached on the decision to recommend or reject the proposal of a cabinet-level agency, but that there were findings. Ann Schluter commented that there should be a record that this was discussed and that it should be included in the findings. Roth suggested language that would reflect that an evaluation was conducted, no findings were made, and no recommendations were made. Representative Bauerly suggested that rather than no findings made, that there be some reflection of the work and effort involved. Senator Ranum suggested including discussion of the agency in the main body of the report, not in the appendix. Schluter suggested putting the governance recommendations first, then the discussion of governance structures. Kohl agreed that it should be a summary. The group agreed on the following language: "Based on the evaluation conducted and extensive discussion, no recommendation on the need for a new cabinet-level agency for children is made at this time." With a quorum present, the language was approved.

The group was asked if there were other recommendations that should be discussed. Senator Ranum stated that the legislative commission sees value in beginning a dialogue with the Minnesota congressional delegation. The last four joint meetings with the Children's Cabinet were valuable; should there be planning for a minimum number of meetings per year, perhaps in statute? She invited the Children's Cabinet to a hearing on data information issues January 25, since this emerged as an important issue in the joint meetings. Kohl stated that there may not be a need to put the number of meetings in statute but agreed that joint meetings were valuable.

Kohl also discussed the proposed meeting with the congressional delegation and suggested briefing them on demographics based on the recently released diversity report and concerns regarding children of color. Senator Piper discussed an experience in Washington, D.C., where representatives were invited to a dinner for ten states doing ground-breaking work on health care; the meeting was only sparsely attended, Martin Sabo was the only member to show up, and others sent low-level staff. Senator Ranum suggested that each legislator make preliminary calls directly to obtain a commitment to attend. Senator Piper suggested a meeting be held at the airport. Jona Turner said that this would require much planning, congressional members have many commitments, and it must be very easy for them to attend. Discussion followed regarding a date for the meeting. Senator Ranum reported that calls to congressional members showed that the week of February 14 through 21 was a break period. Discussion of the date was postponed until it was confirmed that the time period represented a break for all members. Senator Ranum suggested framing the meeting as an opportunity to discuss issues concerning children and families, including crime and the amount of money being spent in these areas. There needs to be a focus on a Minnesota perspective. Representative Bauerly asked about TV sponsorship of the meeting. Staff will follow up on these suggestions and inform Kohl and Senator Ranum of the possibilities.

The discussion returned to the purpose of future joint meetings of the Children's Cabinet and the legislative commission. Representative Bauerly stated that there is shared agreement on many issues, such as data privacy, that need further study and he would like to see continued joint meetings. Kohl agreed that it has been very helpful to work on tasks together. Representative Johnson asked what the structure should be in calling joint meetings. Representative Richard Jefferson stated that the Legislature often requires other groups to do things it does not expect it will do itself; he commented that the two groups should be required to have joint meetings to serve as a model to local communities. Senator Ranum commented that the meetings were valuable. Representative Bauerly agreed and suggested putting that into the report.

Kohl stated that there are no legislative commission members on the information systems committee and asked if the commission would want to designate members to participate. Skaff stated that the issues are broader than data systems. There is the issue of moving toward a block grant on the one hand versus the wariness of advocates as to how they can protect their vulnerable populations. Senator Ranum said that information design is critical and the right questions need to be asked before the systems are designed so the information needed is obtained. Skaff stated that the larger issue is not just how information is collected, but how it is

used. Schluter added that it is critical that different communities have input in this, particularly communities of color.

Kohl asked whether there should be subgroups or if people should be added to the group originally set up by the legislation. Senator Piper said that what is valuable is looking at issues from different points of view so that the questions that need answers are asked. Encouraging new ways of thinking is very important. It was agreed that a member of the commission would be invited to participate on the information systems committee.

Roth asked what the next steps should be. The report will be prepared based on the work of the legislative commission and the cabinet throughout this process. Kohl suggested circulating the draft for comments and returning suggestions to Roth. Revisions and conflicts will be discussed by Kohl, Senator Ranum and Roth. A final report will then be prepared. There should also be discussion about an event to release the study.

The meeting ended with comments by the co-chairs, Linda Kohl and Jane Ranum, thanking the members for their participation. It was agreed that the joint meetings have been informative and valuable for both groups.

Senate Counsel Research Memo

TO: All Children, Youth and Their Families Commission and
Children's Cabinet Members

FROM: Joan White, Senate Counsel (296-3814)
Mary Orr, Senate Finance Committee

DATE: November 9, 1993

RE: State Governance Models Presented in the November 1, 1993,
joint meeting with the Commission and Cabinet

Attached is a summary of the six state governance models presented in the November 1, 1993, joint meeting of the Commission and Cabinet. The summary provides the population of each state, how services for families and children are administered, the state budget, the problems with existing service delivery, and the proposed solutions.

JW:pa
Enclosure

MINNESOTA

I. Basic information

- A. 1992 Population: 4,480,000

State population under five years of age in 1991: 7.6 percent
State population between 5-17 years of age in 1991: 19.2 percent
- B. State supervised/county administered budget
- C. State government expenditures in 1991: \$12.7 billion

CALIFORNIA

I. Basic Information

- A. 1992 Population: 30,867,000
State population under five years of age in 1991: 8.7 percent

State population between 5-17 years of age in 1991: 18.1 percent

B. State supervised/county administered budget

C. State government expenditures in 1991: \$85.6 billion

II. Problem

California is experiencing dramatic and consistent decreases in funding due to the recession which has adversely effected children and family services. Also, California removes more children from their homes, and incarcerates more children per capita than any other state.

III. Proposed Solution(s)

In the past few years, California has taken steps towards providing more flexibility on the local level with regard to children and family service delivery and funding distribution.

In 1991, California passed legislation allowing counties to apply for waivers of state rules. No counties applied for waivers. Two reasons were provided; the first reason was that the waiver process was too complicated, and the other reason was that a prerequisite to obtaining a waiver was the creation of a Collaborative Interagency Council.

In 1992, California "realigned" funding by changing funding ratios and setting up trust accounts in every county. The change in funding ratios resulted in \$2.8 billion being shifted from the state to the county. The state, however, created two funding streams to make up the difference; an increase in vehicle licensing, and a one-half cent sales tax.

Three subtrust accounts were created in each county for social services, health services, and mental health. The revenue generated by the two new funding streams were deposited directly into the county mental health trust account. Unfortunately, the funding streams did not generate nearly as much revenue as anticipated, and as a result, existing mental health services were not adequately funded. The counties were permitted to transfer ten percent of the trust account funds from one account to another which provided some flexibility and control over funding distribution.

In 1993, California "blended" the funding for social services, education, and health into one county account. The funding will be spent

according to the county plan which is to be submitted to, and approved by, the Secretary of Health and Welfare. In addition, another \$2.1 billion was shifted from the state to the county, however, the state did not create a funding stream to make up the difference. Also, the one-half cent sales tax passed in 1992 was a temporary measure which expires December 31, 1993. The state is voting this week on whether the tax will be extended.

COLORADO

I. Basic Information

- A. 1992 population: 3,470,000
State population under five years of age in 1991: 7.6 percent
State population between 5-17 years of age in 1991: 18.5 percent
- B. State supervised/county administered budget
- C. State government expenditures in 1991: \$7 billion

II. Problem

The problem in Colorado was ineffective and inefficient service delivery to children and families. The governor wanted services to be integrated and the legislature wanted to save money.

III. Proposed Solution(s)

In 1993, the legislature restructured and consolidated existing state agencies, and eliminated some, and created the Departments of Human Services, Health Care Policy and Financing, and Public Health and Environment. The legislature created a restructuring steering committee consisting of 20 members to oversee the state and local restructuring and reform process, and five subcommittees focusing on more specific issues such as local service areas and integration, and core services. The current state agencies are required to work with the restructuring committee to develop a plan for reorganizing health and human services delivery systems. The restructuring committee was required to submit a plan to the legislative oversight committee on November 1, 1993. The legislative oversight committee, which is also a newly created committee, meets with the restructuring committee on a regular basis, and develops statutory recommendations.

IV. Additional Comments

In the restructuring process, two problems have become apparent. The restructuring committee meetings are filled with many lobbyists who represent every entity receiving funding from the state. Also, one goal in the restructuring process is to establish a single point of entry in each local region. Unfortunately, there are currently no uniform service delivery regions; the regions for social services and health services are counties, mental health created its own regions, and youth services or juvenile corrections also created its own regions, which are different from the mental health regions. Consequently, due to the numerous lobbyists and the problem with the regions, agreements and resolutions are sparse, and the process was described as being "very messy."

NEW MEXICO

I. Basic Information

- A. 1992 Population: 1,581,000
State population under five years of age in 1991: 8.4 percent
State population between 5-17 years of age in 1991: 21.2 percent
- B. State supervised/state administered budget
- C. State government expenditures in 1991: \$4.5 billion

II. Problem

New Mexico has received nationwide opprobrium as one of the worst places in the nation to raise a child; a state that ranks as among the highest in out-of-wedlock births, infant mortality, violent deaths among teenagers, and the number of children living in poverty. As a result, the Governor created the Governor's Task Force on Children and Families, which his wife chaired. His wife had been active in children's issues when Governor King was elected in the late 1970s, and with his reelection, she once again began actively advocating a change to improve children and family services.

III. Proposed Solution(s)

A new, consolidated agency, Children, Youth, and Families Department, was created in New Mexico in July 1992. The department

consists of Youth Authority, which operates the correction institutions and programs for juveniles, and selected children youth and family programs, services and functions which were previously in the Human Services Department, Department of Health, and the State Department of Education.

A governor-appointed Children, Youth and Families Advisory Committee was also created to help in policy development and planning. Members include two parents, two youths, a representative from the juvenile justice system, and other members with a demonstrated interest and involvement in children, youth and families. The Advisory Committee makes policy and planning recommendations to the Interagency Coordinating Group which was also created in 1992. The Interagency Coordinating Group, consisting of appropriate cabinet secretaries, superintendent of public instruction, chair of the legislative Interim Health and Human Services Committee, and a person from the governor's office, assists the new department in planning and coordination of services.

IDAHO

I. Basic Information

- A. 1992 Population: 1,066,000
State population under five years of age in 1991: 7.9 percent
State population between 5-17 years of age in 1991: 22.7 percent
- B. State administered budget
- C. State government expenditures in 1991: \$2.3 billion

II. Problem

Idaho nearly failed a federal Health and Human Services audit in 1985. In addition, the person who is the current director of the Division of Children's Services was a social worker in Idaho. As a social worker, he realized the barriers to children and family services and advocated change.

III. Proposed Solution(s)

Idaho created a Division of Children's Services in the Department of Health and Welfare in 1987. The state division primarily does the

planning and budget. The state is broken down into seven regions, and 33 field offices. The field offices actually deliver the core services. There are 44 counties in Idaho, therefore there are not services available in every county. Idaho is very rural in some areas and there are not enough people to utilize or justify services in every county. This is very different from Minnesota where each county provides social services, and the county agency delivers the services. Idaho adopted the Family Centered Practice Model in which the case workers or intervenors focus on the strengths of the family as a whole unit, instead of just the child. The assessment tools of EcoMap and Genogram are designed to assist both the family and intervenor in gaining an enlarged perspective of the family unit and its problems.

IV. Additional Comments

The state decided to change to the Family Centered Model but failed to market this change to the community. This resulted in tension between the state and the local providers. In addition, it took a long time for support staff to change from the philosophy that "it is better to pull a child out of a home" to "it is better to keep the child in the home and help the family by building on the family's strengths."

OREGON

I. Basic Information

- A. 1992 Population: 2,977,000
State population under five years of age in 1991: 7.2 percent
State population between 5-17 years in 1991: 18.5 percent
- B. State administered budget
- C. State government expenditures in 1991: \$7.2 billion

II. Problem

Oregon was experiencing increased costs for children and family services and deteriorating outcomes. The service delivery was disjointed and ineffective. -

III. Proposed Solution(s)

Oregon adopted an organizational framework which matches very closely the existing state and county commission structure in Or-

egon, however, considerably expanded the duties and responsibilities of the Children and Youth Service state and local commissions. The State Commission on Children and Families now has the authority to set state policy. The local or county commissions were initially established to fill the service gaps in the area. Now the local commissions are responsible to assess the needs of youth and families, develop a local plan, and implement the plan. The local commission is now responsible for delivering the full spectrum of services based on the local plan.

Also, the legislature created a State Office of Services for Children and Families which provides highly specialized services such as adoptions and custody. All other services will be slowly phased out of the state level to the local level over time and the funding for those services will be de-categorized and distributed to local commissions to meet the needs identified in the commission's local plan.

Also, funding decisions will be based on an outcome analysis. The state feels strongly about making the programs accountable through analysis based on clear outcomes. The state will no longer use funding to micro-manage the local region. This also promotes and rewards efficient and effective service.

IV. Additional Comments

Oregon is voting November 9, 1993, on a sales tax plan which includes, but is not limited to:

- a five percent sales tax. Revenues generated by the sales tax would be dedicated to public schools,
- an earned income tax credit for working families, with children, earning less than \$24,000 per year,
- a change in the constitution which dedicates at least half of the lottery proceeds to education and the needs of Oregon children. Currently, the constitution requires lottery funds to be used for economic development.

The tax plan is a temporary measure which, if passed, expires in 1999 unless the plan is extended in the 1998 general election.

TENNESSEE

I. Basic Information

- A. 1992 Population: 5,024,000
State population under five years of age in 1991: 7 percent
State population between 5-17 years in 1991: 17.8 percent
- B. State administered budget
- C. State government expenditures in 1991: \$9.2 billion

II. Problem

The impetus for change occurred when the legislators started asking questions as to where and how the money was being spent for children and families. The executive branch had a difficult time answering the questions because the funding was distributed across many agencies. In analyzing the issue further, the executive branch realized that agencies were duplicating services and many programs overlapped.

Another reason Tennessee implemented this change was to attempt to decrease the number of children coming into state custody by improving prevention and family preservation services.

III. Proposed Solution(s)

Tennessee made an administrative change by reappropriating and consolidating all funding for children's services into the newly created Office of Children's Services Administration in the Department of Finance. This change resulted in uniform and centralized contracting, monitoring, and reimbursement to local agencies. Tennessee contracts with local nonprofit or for-profit agencies to provide services which is very different from Minnesota. Sometimes the state contracts with the county to deliver services, but that is not the norm.

Tennessee also created 12 "Assessment Care Coordination Teams" (ACCT) around the state. ACCT assesses every child brought into state custody to determine what services the child needs, and develop a plan for the child. Then the child is placed in the appropriate agency and monitored daily.

IV. Additional Comments

The consolidation of the children and family funding resulted in better information as to how and where funds are being distributed,

and also where there were gaps in services. The statistics show that the number of children being taken into state custody decreased the first year, and increased the second year. There is no strong data to explain why this happened, however, it may be due to the fact that the services available to children have broadened. For example, a child placed in corrections is no longer restricted to services offered only under the umbrella of corrections. The child may access any necessary services.

Sources

Population Statistics

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State Expenditure

1993 State Rankings, Morgan and Quitno, 1993

(NOTE: The definition of state government expenditures may not be the same across all states.)

Administrative Structure

Characteristics of State Plans for AFDC, 1990-91 Edition, U.S. Department of Health and Human Services

People Testifying or Submitting Written Testimony at Meetings and the Public Hearing

Terri Barreiro, United Way of Minneapolis
Colleen Burns, Minneapolis Youth Coordinating Board
Lester Collins, Council on Black Minnesotans
Mario Compean, Spanish Speaking Affairs Council
Nancy Devitt, Hennepin County
Lois Engstrom, Minnesota Department of Education
Sid Gardner, Center for Collaboration of Children, California State University, Fullerton
Dennis Heitcamp, Clay Wilkin Opportunity Center
Clell Hemphill, Council on Disability
Kathy Johnson, Northland Foundation
Steve Keefe, Honeywell
Peg Landin, Family Service Center Division for Kooch-Itasca Community Action Council
Colleen Landkamer, Blue Earth County and Association of Minnesota Counties
Harold Larson, LeSueur-Henderson Public Schools
Mayjoua Ly, Southeast Asian Community Coalition
Paula Pahl, Honeywell; Minnesota Business Partnership
Patricia Torres Ray, Ombudsperson for Spanish Speaking Families
Susan Roth, Minnesota Planning
Joann Statel, Indian Affairs Council
Julie Suchy, Minnesota Planning
Joan Sykora, Minnesota Department of Human Services
Marina Vork, Chisago County; Minnesota Social Service Association
Barbara Yates, Minnesota Planning
Hoa Young, Council on Asian Pacific Minnesotans

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