



# 2025 Proposed Hennepin County Budget

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# HENNEPIN COUNTY MINNESOTA



A community where

All people are **healthy**  
All people are **valued**  
All people **thrive**

We embrace a mission where we serve residents through transformative services that reduce disparities, eliminate inequities, and create opportunity for all

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## Introduction

Thank you for the opportunity to present the Administrator's proposed 2025 operating and capital budgets. This proposed budget of \$2.95 billion focuses on delivering critical services while also addressing areas where we can make a significant impact. We aim to provide upstream services to prevent the need for more complex and long-term interventions in the future. This budget is designed to support our residents today while transforming systems for a better future.

By putting residents first, Hennepin County employees work every day to achieve our mission, vision and goals. We strive to improve our services through proactive, innovative public stewardship with a mission that calls upon us to serve residents through transformative services that reduce disparities, eliminate inequities, and create opportunity for all. The proposed budget advances that mission and aims to help us achieve our vision for a community where all people are healthy, all people are valued, and all people thrive.

Hennepin County has a long-standing commitment to serving residents by collaborating with the community, delivering essential services, and implementing innovative changes to create opportunities for all. Serving the people of Hennepin County is our constant. It's our North Star. How we orientate ourselves in our services to meet residents' needs and help in their success is shaped by these guiding principles and commitments.

We approach our work with a strong sense of fiduciary responsibility to our residents and taxpayers, ensuring that our services are based on data-informed decision-making, community engagement, and an unwavering commitment to reducing disparities. This commitment is reflected in collaborative efforts across the organization and through our core values. We put people first. Residents are the center of everything we do, and our employees are our greatest asset. We exhibit responsibility

by acting boldly in the stewardship of our resources and environment. We demonstrate integrity by acting with the highest ethical principles and showcase professionalism and personal responsibility in our service to community. We strive for equity by committing to the shared responsibility of advancing policies and practices that promote equal access to outcomes and opportunities for all. And we look forward by driving innovation in policies, services and programs to achieve the best possible outcomes for our residents.

In the coming year, we will remain focused on our strategic priorities, emphasizing the stewardship of our financial and personnel resources. Our funding priorities are intentionally focused on our seven disparity domains: Connectivity, Education, Employment, Health, Housing, Income and Justice. This budget document will show ways we have operationalized disparity reduction and climate action in our programs and services, demonstrating our commitment to addressing racism as a public health crisis.



## Our commitment to disparity reduction

Through policies, services and programs we will drive disparity reduction and work to benefit people's lives in the areas of Connectivity, Education, Employment, Health, Housing, Income and Justice

### **Innovation across the seven domains**

Continued innovation is critical to our success in service to our residents. While this memo shows examples of how we are innovating in each of the seven domains, much of the work crosses multiple domains with partnership and collaboration across departments as you will see throughout the upcoming line of business budget presentations.



# Connectivity

Hennepin County ensures technology, transit and transportation systems are accessible, affordable and climate ready.

We are advancing transit, multi-modal options, safety and accessibility on our transportation network, which is a core service to connect people to health care, employment, housing and education. Engagement with our communities and project stakeholders is critical in the design and delivery of transportation projects to ensure we are developing solutions that meet people's needs.

## **Investing in multi-modal connections**

We continue to align work with the updated Complete and Green Streets Policy to improve accessibility, safety, mobility through multimodal investments that also advance transit in our system and introduce green elements in the county's right of way.

We have capital investments for 19 partnership projects that advance city and county goals and priorities in asset preservation, safety, disparity reduction, and climate action. We completed federal funding applications for 14 projects that reflect the county's priority transportation needs in terms of asset condition, safety, and accessibility.

We continue to advance work in transit through our partnership with Metropolitan Council, providing a revised route for the Blue Line Extension project in advance of the Supplemental Draft Environment Impact Statement.

## **Providing equitable digital access**

The Hennepin Connectivity Program will support home broadband connectivity for as many as 6,000 households, and more than 3,700 households will be newly served when fiber investments are completed in 2025. Digital navigation and training services are essential and will continue to be provided to our residents. And an internet-safety campaign launched in 2024 will continue to encourage residents to "think before you click" online.



# Education

Hennepin County supports greater achievement and whole-being outcomes for youth and families through educational success.

Hennepin County continues to offer a wide range of services to assist our residents throughout their lives, from early childhood learning to adult education and career pathways. Youth receiving county services benefit from personalized navigation, coaching, and tutoring. More than 85 percent of students working with Education Support Services identify as Black, Indigenous, or People of Color.

All county residents can access drop-in programming, public technology, age-appropriate activities, and safe out-of-school spaces at Hennepin County's 41 public libraries. Demand for these services is trending strong. In 2023, the library welcomed 3.7 million visitors, nearly 1 million more than 2022 (+34%). Public computer use reservations increased by 18 percent with more than 830,000 sessions. Public Wi-Fi sessions also increased in 2023 to more than 6.8 million connections. The year-over-year trend of increased utilization is continuing across all these areas in 2024.

## **Providing holistic education services for youth and families**

We partner with internal and external stakeholders to provide comprehensive wraparound education services to youth and their families. This includes continuing to offer county-connected youth individualized educational support, such as tutoring aimed at improving their academic performance. We also support the development, implementation, and evaluation of community-driven programs, including ongoing funding for programs initially seeded with pandemic relief funds, like the new arrival education support pilot.

Additionally, we are advancing efforts to support multi-generational households, school readiness for young learners, transition-aged youth, career and college readiness for youth, and English Language Learners (ELL).

## **Promoting literacy**

Hennepin County Library's core services work to ensure all residents have the resources to successfully read, learn, and graduate from high school. In 2023, the library offered 7,892 individual programs and nearly 30 percent (2,300) were focused on early literacy activities. A total of 2,294 students in grades K–12 attended 8,645 drop-in Homework Help sessions. Through its new Let's Read program, the library is focused on helping K–5 students develop foundational reading skills needed to read at grade level.

## **Supporting early childhood**

Healthy child development requires ensuring children and families have access to many supportive services, including parenting support. Family home visiting is one important way the county helps ensure children are ready to learn.

Hennepin County offers family home visiting services for eligible residents at no cost to families. Family home visitors work with families in their homes or other community places to make sure babies and children develop and grow up healthy and safe. These services for infants and young children can improve maternal-infant health outcomes, improve family relationships, and advance school readiness by supporting families in healthy bonding, positive parenting, and promoting healthy child development.

The flexibility of this multi-disciplinary public health strategy allows us to serve a wide population and support a variety of family circumstances. Curriculum through each of the home visiting models offered to Hennepin County families encourages forming early literacy habits and focuses on child development. In 2023, our family home visiting program provided services to 2,193 families.

### **Connecting families to resources**

The Connect for School Success program was developed to enhance family stability and well-being, improve student attendance and engagement, and strengthen connections between families, schools, and the community. This voluntary, parent-driven program supports families in identified schools whose students have multiple absences and/or significant barriers to school attendance and engagement. Staff collaborate with parents/caregivers, nonprofit organizations, school partners, and social workers to provide insights, feedback, and support to eligible parents who have received county services.





# Employment

Hennepin County promotes meaningful employment opportunities that provide a living wage and comprehensive benefits.

People of color are overrepresented in low paying jobs and in industries that are subject to layoffs during economic emergencies and recessions, such as transportation, hospitality, and personal services. Leveraging employment strategies to improve employment prospects for residents can lead to many positive impacts in other domains. The county plays a role in employment strategies as both a leader in services and as an employer.

## Enhancing pathways opportunities

The county is coordinating efforts to support pathways for green jobs. The county continues to adjust pathway offerings to meet needs for the county as an employer as well as the private sector.

As an employer, the county has trained over 1,000 pathways graduates and hired 413 graduates since 2014, and many of our other graduates have been hired into public and private sector jobs.

The average wage for graduates hired at the county is \$27.00 per hour. The program continues to grow each year and more than 91 percent of pathways hires remain in their role for more than one year and 42 percent of pathway hires have been promoted or changed jobs at the county. For example, the Assessor's Office has hired 15 individuals through the pathways program since 2018. Currently 11 employees in the department are pathways graduates working as both assessment programs specialists and appraisers.

## Building the current and future workforce

Through innovative youth programs and supports, Hennepin County Office of Workforce Development is partnering to provide the next generation with what they need to achieve their career aspirations.

Research has found when youth are engaged and connected to supports and opportunities, they are more likely to achieve success as adults. One example of an internal partnership developing opportunities for county connected youth is the Department of Community Corrections and Rehabilitation (DOCCR) youth forestry program. In partnership with Energy and Environment, Department of Workforce Development and DOCCR's Productive Day Program, young people receive paid hands-on training in landscaping, property maintenance, and tree care.

## Training for people exiting homelessness

The Employment and Training Services for People Exiting Homelessness Pilot Program was developed to provide access to meaningful employment services with an intentional focus on readiness, skills training and occupational learning to assist individuals who are or have recently experienced homelessness secure and maintain employment. This program is a low-barrier program with minimal eligibility criteria and flexible support services.

Training programs equip individuals with valuable skills and qualifications, enhancing their employability and opening a broader range of job opportunities. Since 2022, the program has received 303 referrals from housing providers, 87 percent of referrals have resulted in program enrollment and 81 individuals obtained employment and 111 individuals have enrolled in training/education or paid work experience.

## Assisting job seekers

The county manages an array of employment and training supports designed to aid residents in achieving their unique employment and career goals. Programming includes Hennepin County specific initiatives and federal and state-mandated programs like the Diversionary Work Program, Minnesota Youth Program and Minnesota Family Investment Program (MFIP).

The county supports a programming hub and a point-of-service for jobseekers at libraries. Libraries partnered with state agencies, national and local non-profits, and community organizations to offer more than 1,000 employment-related programs and tabling events in 2023. Residents explored supports for entrepreneurship, built resume writing and interview skills, and engaged with employment navigators who offered direct recruitment opportunities.



# Health

Hennepin County provides access to high quality, affordable services that promote whole health and wellbeing.

The County Board's declaration of racism as a public health crisis recognizes that communities of color have worse outcomes in health due to systemic racism, lower income, lower education attainment and lack of access to physical and mental health care. Over the last few years, Public Health staff who conduct the Survey of Health of All the Population and Environment (SHAPE) leveraged the data received from community to better understand impacts and inform our decisions to respond to community need.

The health domain work centers around four priorities: Reducing chronic disease, expanding mental health care, promoting healthy aging, and maternal and early childhood health.

## **Focusing on heart health**

The county board authorized one million dollars in funding for the Heart Health Initiative to reduce cardiovascular health disparities in Black/African American and American Indian women in 2024. So this program has awarded funds to nine community-based organizations and six primary care clinics to provide preventive health screenings, peer support, community clinic linkages, and care coordination efforts. Additional work with clinical system partners on care and support from women post cardiac event is in process, and a marketing firm has been selected to develop a public health awareness campaign to increase the awareness of heart disease risk in Black/African American and American Indian women.

## **Expanding access to behavioral health services**

The county's Family Response and Stabilization program offers a response within one hour to families seeking help due to a child or youth who is experiencing a mental, behavioral, or emotional issue. The agencies deliver culturally responsive support seven days a week to communities to expand access, deliver person-centered care and reduce the need and likelihood of deep end services.

## **Improving birth outcomes**

The Maternal Health Initiative and Birth Justice Project seeks to improve maternal health outcomes among racially and ethnically diverse people. The county has increased access to existing maternal health services, increased capacity for data and monitoring, and engaged the community to create and implement a birth justice strategic plan to influence changes to the maternal and child health system to improve outcomes and experiences for Black and American Indian people. Our strategies are built on the acknowledgment of the impacts of racism and include creating culturally responsive and meaningful workforce pathways, enforcing anti-bias accountability, investing in a network of culturally specific providers and resources, and advocating for policy and payment reforms. The Birth Justice Collaborative worked with the state legislature to pass two bills in the 2024 legislative session that focus on planning efforts for birthing environments specific to Black and American Indian birthing people. Currently the Birth Justice Collaborative is piloting a culturally based family home visiting program with additional resource and health care supports.

## **Supporting new arrivals**

Across the organization, staff are working to provide services for new arrivals. This includes removing barriers to help people access needed supports. Education Support Services and Libraries are providing services to support families on their education journey. Adult Representation Services is providing immigration legal services to our non-citizen residents receiving county supports. Demand for services increases — at the South Minneapolis Human Services Center 9,836 people were queued to The Office of Multicultural Services (OMS) from January to June compared to 5,637 same period in 2023. We will continue to identify ways to meet the needs in our communities.

## Responding to the opioid crisis

The county's coordinated response to the opioid crisis is a multi-faceted approach using existing county resources and leveraging the opioid settlement funds. This approach is crucial for saving lives and improving health outcomes for people using opioids. We cannot battle this epidemic alone and are building strong partnerships across our communities and within the organization. Our investment in harm reduction includes specialized services, naloxone distribution, fentanyl testing strips and syringe services.

The county funds and supports 23 organizations distributing naloxone, as well as the county's Public Health Clinic and NorthPoint Health and Wellness Center. We also have a pilot program in partnership with community groups to provide harm reduction and care coordination services at the libraries. Opioid settlement dollars are supporting harm reduction through the Health Care for the Homeless program.

We have contracted with 41 community agencies to provide culturally responsive services. These agencies are focused on responsive services to the Black/African American, American Indian, Somali/East African, Hispanic/Latino and Asian/AAPI communities. Other focus areas include unhoused individuals, youth, new parents, and the LGBTQIA+ community. These agencies will also inform continued and future allocations of funds with a deeper understanding of community needs. Later in 2024, the county will produce a fentanyl awareness campaign, informed and guided by contracted agencies and their knowledge of the communities they serve.

Data shows close to 35 percent of the Adult Detention Center population is living with an opioid use disorder. Additionally, 30 percent of Hennepin County's opioid-related overdose deaths occur with people who have been released from incarceration within one year. The Adult Detention Center, Juvenile Detention Center, and the Adult Corrections Facility have provided medications for opioid use disorder (MOUD) as part of their medical services. They also provide education, connections to care, and distribution of naloxone upon release from the facility. Approximately 2,790 individuals were provided MOUD treatment in 2022 at the

Adult Detention Center. Other justice partners, including Adult Representation Services, provide comprehensive wrap-around services to individuals with opioid use disorder, including housing, transportation, education, job placement, job training, or childcare. The County Attorney's Office is assigning an attorney and three social workers to support pre-trial services that connect individuals with evidence-informed treatment, including MOUD.

## Connecting people to healthcare

We offer non-emergency medical transport (NEMT) to medical assistance recipients, ensuring they have access to the safest, most appropriate, and cost-effective transportation for their non-emergency medical appointments.



# Housing

Hennepin County opens doors to safe, stable, affordable, permanent housing.

As much as anything we do at the county, housing truly impacts each one of our disparity domains in significant ways. Housing is the most basic need that must be met for people to be able to maintain employment, earn income, manage health, pursue education and other opportunities that allow people to live fulfilling, successful lives.

Housing and homelessness are also where we see some of the greatest disparities, which is why this work is so important and why we have prioritized it as an organization.

As one of several major agencies working to address affordable housing needs in the region, Hennepin County supports the creation and preservation of affordable housing through capital investment and meeting the housing needs of our most vulnerable residents through supportive housing services.

Since 2019, we have accelerated our impact in the creation and preservation of affordable housing by 118 percent, with 975 units of affordable housing supported in 2019 and 2,131 units supported in 2023.

## **Providing housing**

This ongoing strategy and work to move from homelessness to housing has now housed over 1,000 residents as of mid-2024. This strategy will continue into 2025 along with specific targeted efforts to reduce the need for family shelter. This is done through the work of the family shelter team to support families in crisis and work upstream by reducing evictions and new entries into homelessness.

In addition to this effort, the county has worked on improving the process to help residents who are accessing shelter, secure safe housing more quickly. User interviews identified system barriers and that feedback resulted in the creation of a new accessible digital form that reduced the process from 24 days to one day.

## **Leveraging the new sales tax**

The momentum in affordable housing production will continue as Hennepin County implements its multiphase approach for revenues from the sales tax based on proven investment strategies tested during the pandemic. We have already started spending funds to provide emergency rental assistance for people at greatest risk of eviction and released a Request for Proposals (RFP) to support struggling affordable housing owners in late August.

## **Effectively ending homelessness for veterans**

Hennepin County and our partners are close to meeting federal benchmarks and are housing veterans experiencing homelessness at a higher rate than new veterans are coming into the homelessness system. Hennepin County's veteran homelessness response system quickly identifies and engages veterans and connects them with housing and resources within 30 days. We have implemented systems to ensure that veteran homelessness is rare, brief, and nonrecurring. It does not mean veterans do not experience homelessness.

In the past 90 days, all veterans experiencing chronic homelessness have been offered permanent housing. Veterans experiencing homelessness are connected to permanent housing in an average of 90 days. The number of veterans exiting homelessness and moving into permanent housing is greater than or equal to the number of newly identified homeless veterans.

### **Supporting families with safe shelter**

The Homeless to Housing team focuses on quickly moving families into permanent housing and out of emergency shelter. In less than six months, they have housed 58 families. The downtown Family Overnight Safe Space ensures there is a safe place for families to land each night when shelter space is unavailable. Staff conduct a needs assessment for each family while they are in the space and quickly connect them to resources, supports and referrals. Families can be connected to a shelter space that will best meet their needs directly from the safe space.

Consistent with our commitment to reducing disparities for those most in need, the county eliminated the previous practice of families paying part of their income towards their shelter stay. This shift was in part due to listening to families experiencing homelessness about barriers that prevent them from accessing shelter.



# Income

Hennepin County helps develop an inclusive and equitable economy that gives individuals and businesses of every size the opportunity to prosper.

Income is foundational to self-sufficiency and opportunity, paying for basic needs, growing wealth, buying a home and more. Racism, lack of access to quality education, job training and low-paying jobs are barriers for people of color. According to the 2021 U.S. Census data, the median household income for White Hennepin County residents was \$95,279 compared to \$41,439 for Black or African American residents and \$39,528 for American Indian and Alaskan Native.

We are focused on examining systems to identify and remove barriers that keep residents in poverty, from providing safety nets to creating pathways to wealth creation and business ownership.

## **Piloting income programs**

The Raise the Baseline pilot program empowers eligible families with 15 monthly direct payments that vary based on the size of the household, along with optional supportive services. The pilot is a collaboration between staff in Economic Supports, Workforce Development and Housing and Community Development. As this pilot concludes, we will assess the impacts and results to inform future strategies.

## **Supporting families**

The Workforce Development Child Support Parent Re-Engagement Pilot Program works to coordinate supports to remove barriers that have affected individual's abilities to meet their child support commitments. The program is a partnership between Child Support Services, Workforce Development, and community partner, AVIVO. This pilot aims to re-envision services for parents with child support commitments but who are currently not employed and unable to provide financial support despite court-related enforcement actions. In 2024, through the pilot, Child Support Services referred 45 parents to AVIVO to receive employment-related services that can lead to those

parents earning a livable wage and ultimately the ability to meet their child support requirement(s).

## **Increasing county spending with emerging and small businesses**

Purchasing and Contract Services staff are working to ensure we are tapping into the small businesses in our community for purchasing goods and services on behalf of the county. The county uses a range of procurement methods, in construction, personal and professional services and in goods and services, to maximize county spending with small and emerging small businesses.

One example of this work in action is the IT Consulting Services Program which has 191 businesses participating. During the first half of 2023, 47.5 percent of all consulting expenditures have been with small businesses, 26.6 percent has been spent with minority-owned businesses and 25 percent has been spent with women-owned businesses.

## **Improving employment outcomes**

Long Term Services and Supports — Employment First Leadership team partners with the Minnesota Transformation Initiative to increase competitive, integrated employment for people with disabilities. The partnership will look at data to understand how to further advance competitive, integrated employment opportunities. We are focused on identifying providers who are still employing people with disabilities below subminimum wage with a 14c certificate and working with those providers to identify and reduce barriers to competitive, integrated employment. Additionally, the group is working to support planning and building regional partnerships and collaborations to promote employment outcomes.

### **Reducing property tax liability**

Through property tax programs, eligible homeowners can reduce their property tax burden. These programs include homestead and Veterans Exclusion enrollment. The county works to share information with all homeowners who are eligible for these programs and engages with those homeowners to maximize property owners that may benefit for homestead and the property tax refund. This includes mailings in multiple languages as well as providing opportunities in community for residents to meet with staff about these programs.





# Justice

Hennepin County supports a justice system that is equitable and prioritizes individual wellbeing and community safety by advancing early intervention and prevention strategies.

The justice system is complex, and made up of interconnected state, county, and local authorities with different roles, functions, and ethical responsibilities. We prioritize policies and programming that improve life outcomes, increase access to justice, and are responsive to the needs of individuals engaged with the legal system, including victims of crime.

## **Providing positive alternatives for young people**

We know that breaking the cycle of community violence starts with youth. Safe Communities' work is focused on improving outcomes for young people who are at risk of experiencing community violence, with a focus on those between 10 and 24 years old. This year we hosted the first-ever Safe Communities Summit: Empowering Communities to Thrive, in partnership with Cities United. The summit brought together city leaders, elected, and appointed, service providers, county staff and community members, including youth leaders. It was an intensive and collaborative gathering, where participants shared the innovative work already happening in our community, while learning from national partners about strategies that are working to create safe communities across the country.

Hennepin County continues to support local providers that specialize in community-based prevention and intervention work, including youth programming, mentoring, healing circles, training on conflict resolution, and building support structures. These efforts are all aimed at providing young people opportunities to develop their skills, gain confidence and experience and break patterns of negative behavior.

## **Supporting victims**

The specific impacts of community violence on youth are staggering, and they reach across disparity domains. They include graduation rates, employment options, long-term mental and physical health, housing and mobility options. Thanks to investments from the board, we are now taking a long-term, layered, person-centered approach to break the cycle of violence and make every neighborhood safer — including programs that support victims.

The Department of Community Corrections and Rehabilitation (DOCCR) continues collaboration with the Fourth Judicial District in operation of specialty courts and with the Hennepin County Attorney's Office — Domestic Abuse Service Center in support of victim rights and navigating the challenges of intimate partner violence cases.

The No Wrong Door program connects victims and survivors of sexual exploitation and human trafficking with safe places to live, heal and rebuild their lives, while also working to prevent trafficking through education and other services. With internal and contracted partners, we work to meet each young person's needs, where they are, in the way best suited for them.

### **Providing equitable access to legal services**

Adult Representation Services (ARS) providing legal services to individuals without means is a critical step in achieving equity and reducing disparities. Our holistic model of representation provides combined legal and social services to assist clients in achieving empowerment and stability. Through our prevention pre-court services, we triage community members away from a justice system that has deeply contributed to disparities. Through our work in court, we advocate for clients to achieve the best outcomes and avoid reentry into the system.

The demand for services from ARS continues to increase. Eviction cases handled in housing court have risen steadily in Hennepin County, demonstrating the need for housing stability assistance and prevention programs. In 2023, the county saw 8,777 eviction filings in court, up from 1,405 in 2021. ARS handled about 300 housing/eviction cases in 2021, nearly 2,500 in 2022, and 4,750 in 2023. That's a 1,483 percent increase over three years.

### **Providing opportunities for residents**

DOCCR continues to provide supports to residents at facilities as well as people on probation and parole. For more than 50 years the department has partnered with the library to bring their materials and resources to residents at the Adult Corrections Facility. DOCCR has also partnered with the Elections Department to educate parole and probation officers on the new felon voting rights restoration law passed in the 2023 state legislative session to support 16,000 Hennepin County residents who are newly eligible to register and vote. The county is also offering on-site driver's licenses and IDs at the Adult Correctional Facility in Plymouth with the goal of increasing stability and removing barriers for individuals re-entering society.



## Climate Action

Hennepin County's Climate Action Plan guides the county's response to climate change. This plan guides our work in mitigating the impacts of climate change for our residents. We know that the impacts of climate change will be felt most acutely by residents with low-incomes and our action steps are to support resiliency in these communities. The foundational work of reducing disparities in the organization is interconnected with our climate action plan which enables us to create a better future.

Since the board adopted the Climate Action Plan in 2021, we have been able to integrate seven foundational strategies into work across the county to help build community resiliency and reduce vulnerabilities. Some examples of collaboration and success in our climate action strategies are listed below.

### **Strengthen individual and community resilience**

- By leading sustainable transportation options for residents that increase access to employment, housing, healthcare and healthy green spaces.
- By converting more than 13,000 square feet of land into urban agriculture.
- By coordinating plans across departments to address the impacts of extreme climate events, including providing places of refuge like libraries. Public Health is working to minimize service disruptions to continue addressing the health needs of residents during extreme climate events and other impacts of climate change, such as increased vector and waterborne illnesses.

### **Cut greenhouse gas emissions from transportation**

- By supporting regional transit options, incorporating transit advantages into the design of county-led projects, investing and partnering on arterial bus rapid (ABRT) transit projects, ensuring they are fully scoped to serve all people.
- By electrifying the county's fleet and continued right-sizing of fleet and equipment. Despite supply chain challenges, 35 percent of our light duty fleet (on hand or on order) will be hybrid or electric vehicles by the end of 2024.

### **Prevent food waste and divert organic material from trash**

- By supporting food rescue and food security work across lines of business, implementing a food waste prevention plan, expanding access and participation in organics recycling programs, and investing in organics recycling infrastructure, including a recycling recovery facility.
- By improving access to recycling at county facilities and expanding organics collection and recycling.

## **Design and maintain infrastructure, buildings, and properties to future climate conditions**

- By implementing the Complete and Green Streets Policy, pavement recycling, advancing stormwater management practices to improve the resiliency of our infrastructure and facilities, while also improving water quality.
- By implementing the Construction and Demolition Waste policy, aiming to divert at least 75 percent of construction and demolition waste, including net-zero construction at Westonka Library.
- By working with community and county partners to support the creation of community garden space and planting of trees on tax forfeited land. We are also growing sustainable landscapes on county properties to manage stormwater onsite, sequester carbon, and reduce impervious surfaces, using the newly updated sustainable landscaping guidelines as a guide.

## **Using natural areas as green infrastructure and to sequester carbon**

- By planting, with our partners, nearly 350,000 trees toward the one million trees by 2030 goal.
- By protecting the best remaining natural areas through conservation easements and land restoration efforts funded primarily through state Outdoor Heritage Funds.
- Providing grant funding for cities, affordable housing, schools and other organizations to plant and care for trees in areas with lower tree canopy cover.

## **Decrease the heat island effect, especially in areas with highest vulnerability**

- Through forestry investment work in federally designated disadvantaged communities over the next 5 years including the removal and replacement of ash trees on private property.
- By mapping the urban heat island on hottest days of the year to inform equitable ways to implement cooling solutions. To mitigate the health risks posed by extreme heat, a composite map was created using 14 social, demographic, and economic variables. This information ensures cooling options are accessible to those most vulnerable to extreme heat.

## **Transition to renewable energy and reduce energy use overall**

- By enhancing renewable energy use at county buildings. We are optimizing building operations and investing in renewable energy to reduce building energy use by 3 percent annually. This includes adding solar arrays at Adult Correction Facility, St. Louis Park Library, North Regional Library, Public Safety Services Headquarters, NorthPoint, Rockford Road Library and Ridgedale. We are also installing air source heat pumps, heat pump water heaters, and geothermal systems (as applicable) to reduce carbon emissions.
- Completing the Phase II decarbonization study for the Energy Center and developing a capital improvement plan and implementation schedule.
- By facilitating the installation of additional public EV charging stations at county buildings, coordinating around major renovation projects and electrical infrastructure availability, including at 1256 Penn ramp, Brookdale, Southdale, Golden Valley, Maple Grove, Westonka, and Plymouth. We are also installing EV charging stations to support the county fleet.



## Budget details

Today, I am proposing a 2025 Hennepin County budget of \$2.95 billion, with a net property tax levy of \$1.046 billion — an increase of 5.50 percent. This 5.50 percent represents taking care of county operations at 4.50 percent, but also supports the county’s subsidiary corporation, Hennepin Healthcare Systems, Inc. (HHS) with resources that include an additional 1.0 percent of the levy, for a combined total of 5.50 percent. HHS is a level one trauma center that serves as a safety net hospital and a county, statewide, and critical regional provider of healthcare.

The operating portion of this budget totals \$2.49 billion, an increase of 3.61 percent or \$86.6 million from the 2024 adjusted budget. This budget invests over \$1.3 billion in our employees, a 6.7 percent increase over the 2024 adjusted budget. There are many factors influencing the proposed budget and our services in the coming year, including: staffing, the expiration of federal pandemic response funds, increased demand for state mandated services for those most in need, supporting critical safety net healthcare, and uncertainty in how obligations will be funded from the state in 2025.

No additional positions have been added to the 2025 budget — we reprioritized staffing and moved resources. The proposed 2025 budget includes funding for a total of 9,976.7 full-time equivalent employees, a decrease of 12.3 FTE from the 2024 adjusted budget. Staffing and personnel costs remain the major driver in the budget increase for 2025 and labor negotiations are ongoing. Our compensation, healthcare and other benefits make Hennepin County an excellent employer.

Federal pandemic dollars are expiring, and we will have claimed all of the dollars we were eligible for by the end of 2024. For the last three years, we have proactively managed and strategized for the end of the federal support. In other words, this 2025 proposed budget reflects our ongoing commitments utilizing county, state and federal resources that continue to be available beyond the one-time federal pandemic relief funds. Hennepin County has been a national leader in utilizing these federal funds to meet critical needs during the pandemic, to innovate, and to evolve our service models and enhance our ability to be a data driven organization. While those federal funds are expiring, our commitment to these efforts in support of Hennepin County residents will not.

We are using evaluation and measurement to reallocate both people and funding resources with judicious use of fund balance to maximize existing resources. As you are aware, we have strategically been replacing funding streams with property tax dollars in phases and reallocating resources as needs have shifted. We

have been able to leverage fund balance dollars to help programs transition to a sustainable model — moving one-time sources into long-term ones.

Health care costs are not just impacting us as an employer, but also in our commitment to support critical safety net healthcare services in our community.

Hennepin County is the parent corporation for Hennepin Health System, Inc. The proposed 2025 budget includes an increase of \$10 million for uncompensated care at HHS, which reflects their current costs in providing critical care to our community. This \$10 million is in addition to the \$28 million in our 2024 budget. This is a portion of the financial support Hennepin County provides HHS and the amount represents 1.0 percent of the total 5.50 percent proposed levy.

The levy also includes \$5.7 million to provide property assessment support to cities without charging for those services and delivering savings to the cities. This work supports 37 cities who have opted in.

We know we will have challenges ahead of us next year. There are obligations for services where state support during the 2025 legislative session will be critical. Particularly as it is budget year and no bonding bill being passed in 2024.

With respect to my proposed 2025 capital budget, which is where the county's long-term assets are financed — including facilities, roads, bridges, transit, and other key infrastructure — I am proposing a capital budget of \$463 million. This is \$11 million more than the 2024 board adjusted capital budget of \$452 million. This 2.5 percent increase for 2025 is in the board's five-year capital improvement plan approved last December, which forecasted \$492 million in planned expenditures for 2025. The proposed 2025 capital budget includes:

- \$273 million in investment toward countywide roads, bridges, trails, bus rapid transit, light rail transit, solid waste and energy infrastructure,
- Nearly \$20 million in investments in our critical 24/7 corrections, public safety, and courts facilities,
- More than \$53 million toward facilities supporting the Health and Human Services lines of business including the medical center,
- \$47 million in Library capital investments, and

- \$70 million toward our Operations line of business, including, IT, Housing & Economic Development, Facility Services, and the county's library system.

My recommended capital budget builds on the county's strategic investment toward numerous key infrastructure assets including:

- \$100 million in funding toward the METRO Blue Line Extension Light Rail Transit project, which is just one of over 60 programmed capital projects advancing the county's disparity reduction goals around transportation and mobility,
- For the Hennepin County Medical Center, \$25 million in continued investment in their asset preservation program, as well as \$20 million for critical space improvements. Both projects will help meet the near-term needs across the campus, as the new in-patient bed tower is planned and constructed, and
- More than \$42 million in continued funding toward the new Westonka and Southdale Libraries.

This proposed \$463 million 2025 capital budget builds upon decades of past investment and supports over \$4 billion in ongoing and planned capital projects that you will consider for approval as part of the larger 2025–2029 Five-Year Capital Improvement Program.

The administrator's proposed 2025 operating and capital budget demonstrates our organizational commitments and is embedded in our solid fiscal stewardship that remains evident in over four decades of AAA bond ratings. It exemplifies our continued commitment to reduce disparities by operating as a forward-thinking, innovative organization in service of our residents.

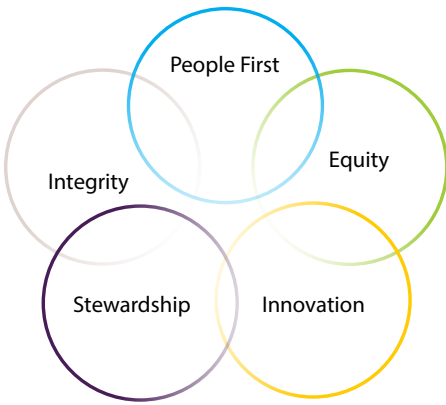
I want to express my appreciation and gratitude to our dedicated employees who serve our residents with compassion and make Hennepin County a great place to work and live.

Finally, I want to thank you, the Hennepin County Board of Commissioners, for your leadership.

Regards,

David J. Hough

Hennepin County Administrator



## We value

### **People First**

People are our purpose. Residents are at the center of everything we do, and our employees are our greatest asset.

### **Stewardship**

We act boldly in the stewardship of our resources and environment.

### **Integrity**

We act with the highest ethical principles and demonstrate professionalism and personal responsibility in our service to community.

### **Equity**

We are committed to the shared responsibility of advancing policies and practices that promote equal access, outcomes and opportunities for all.

### **Innovation**

We drive innovation in policies, services and programs to achieve the best possible outcomes for people.

## 2025 Proposed Hennepin County Budget

David J. Hough, County Administrator

Prepared for the Hennepin County Board of Commissioners  
Tuesday, September 10, 2024

