HENNEPIN COUNTY
MINNESOTA

FINAL COMMITTEE AGENDA

ADMINISTRATION, OPERATIONS AND BUDGET COMMITTEE
TUESDAY, JUNE 2, 2026
1:30 PM

Chair: Debbie Goettel, District 5
Vice Chair: Kevin Anderson, District 7
Members: Jeff Lunde, District 1
Irene Fernando, District 2
Marion Greene, District 3
Angela Conley, District 4
Heather Edelson, District 7

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1. 2026 Budget Update

1.A. April Presentation

Attachments: June 2.2026 budget update presentation

2. Minutes from Previous Meeting

2.A. May 12, 2026 Meeting Minutes

Attachments: AdminOpsBudget-COMMITTEEMINUTES-12-May-2026

3. New Business

Routine Items

3.A. **26-0192**
Submission of HC Consortium HOME-ARP Allocation Plan and substantial amendment to the 2021 HUD Annual Action Plan; neg 1 HOME-ARP award Agmt, 05/12/26-05/12/81, NTE $1,000,000

3.B. **26-0193**
Neg Amd 1 to Agmt A2613452 with Tasks Unlimited Lodges, add three properties, amend and restate related documents, ext end date to 12/31/36, incr NTE to $588,000

Items for Discussion and Action

3.C. **26-0194**

Neg Agmts with Microsoft Corporation for Microsoft volume licensing, 01/01/27-12/31/29; Agmt M57026 with Insight Public Sector, Inc. for the purchase of Microsoft products and services, 06/11/26-02/20/30, NTE $42,000,000

3.D. **26-0195**

Authorize the County Assessor to consider impact of conservation easements on property values

3.E. **26-0196**

Resolution Directing Exploration of a Metro County Public Impact Summit in Partnership with the University of Minnesota Humphrey School of Public Affairs - offered by Commissioners Edelson and Anderson

Addendum

3.F. **26-0216**

Directing County Administrator to identify and retain a consultant to assist with recruiting and vetting candidates for reconstituted Hennepin Healthcare System board; and to engage the County's consultant for finalizing a long-term capital planning strategy for county-owned real estate leased to Hennepin Healthcare System.

HENNEPIN COUNTY

MINNESOTA

300 South Sixth Street
Minneapolis, MN
55487-0240

Board Action Request

TMP-26-0455

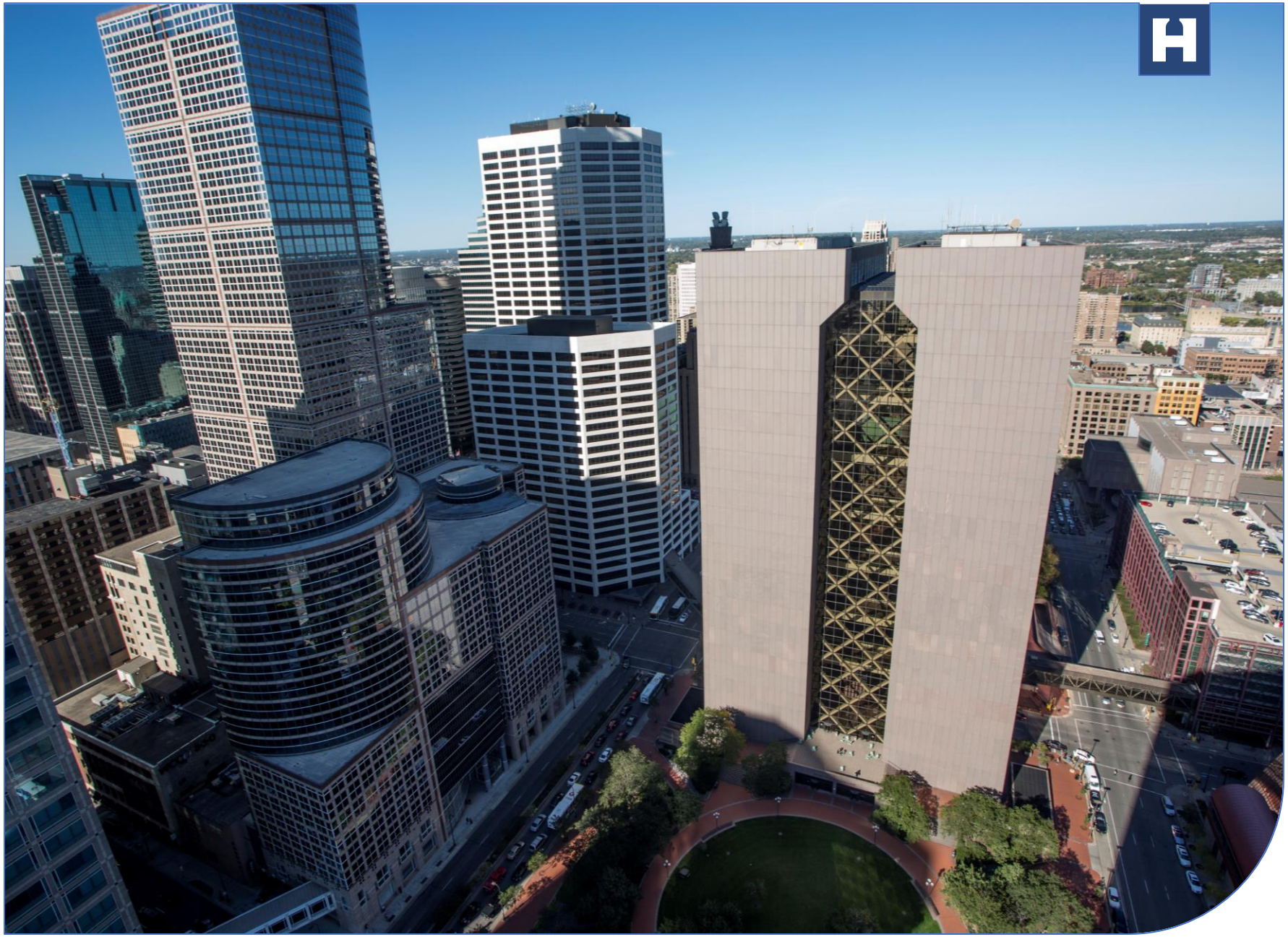
Item Description:
April Presentation

Hennepin County

2026 budget update

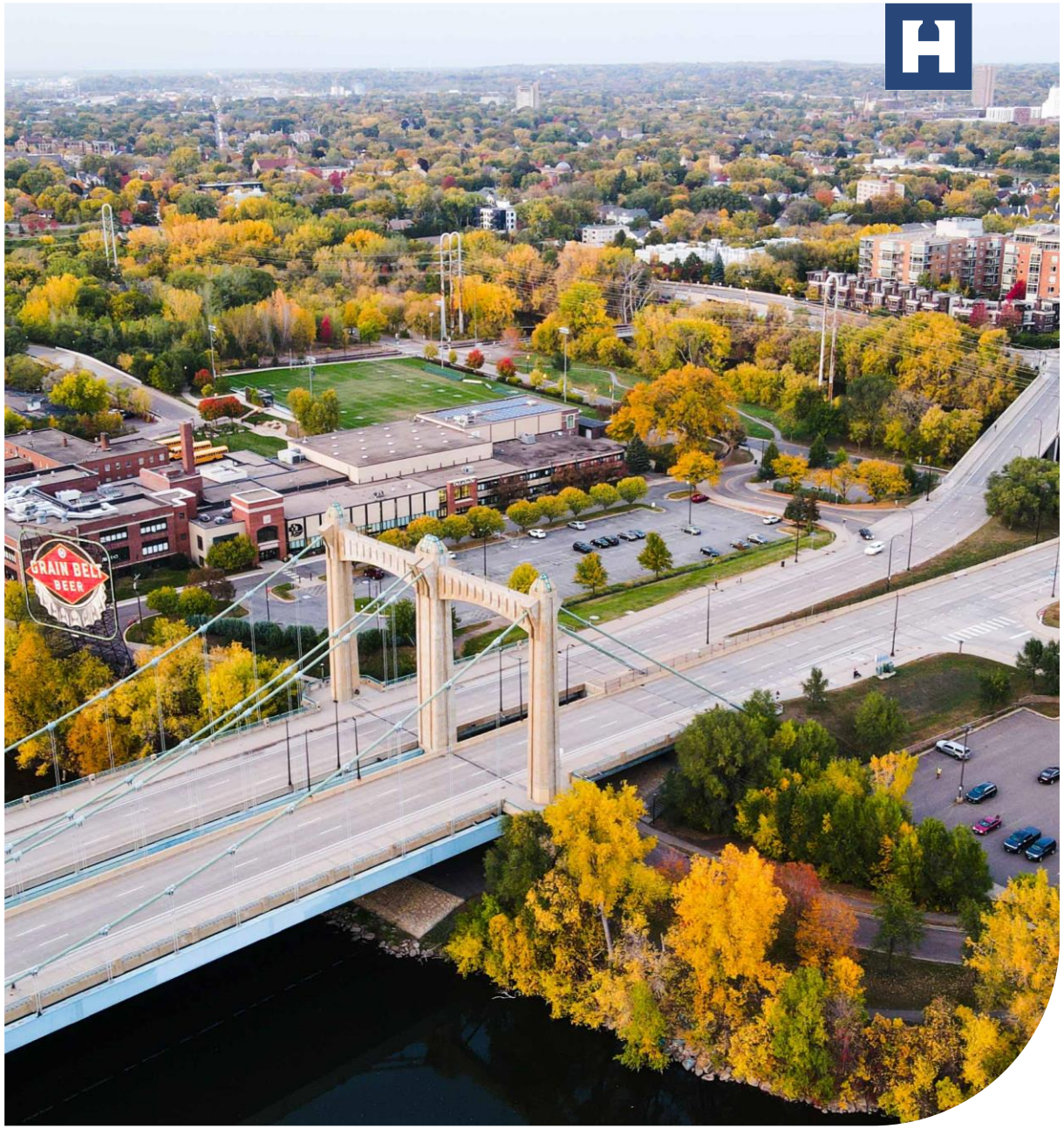
Administration, Operation, and Budget Committee

June 2, 2026



Background

Provide transparency and information to commissioners and residents regarding the tracking and monitoring of the county's financial health.



Agenda

Current year-to-date budget

Federal impacts

Budget management strategies

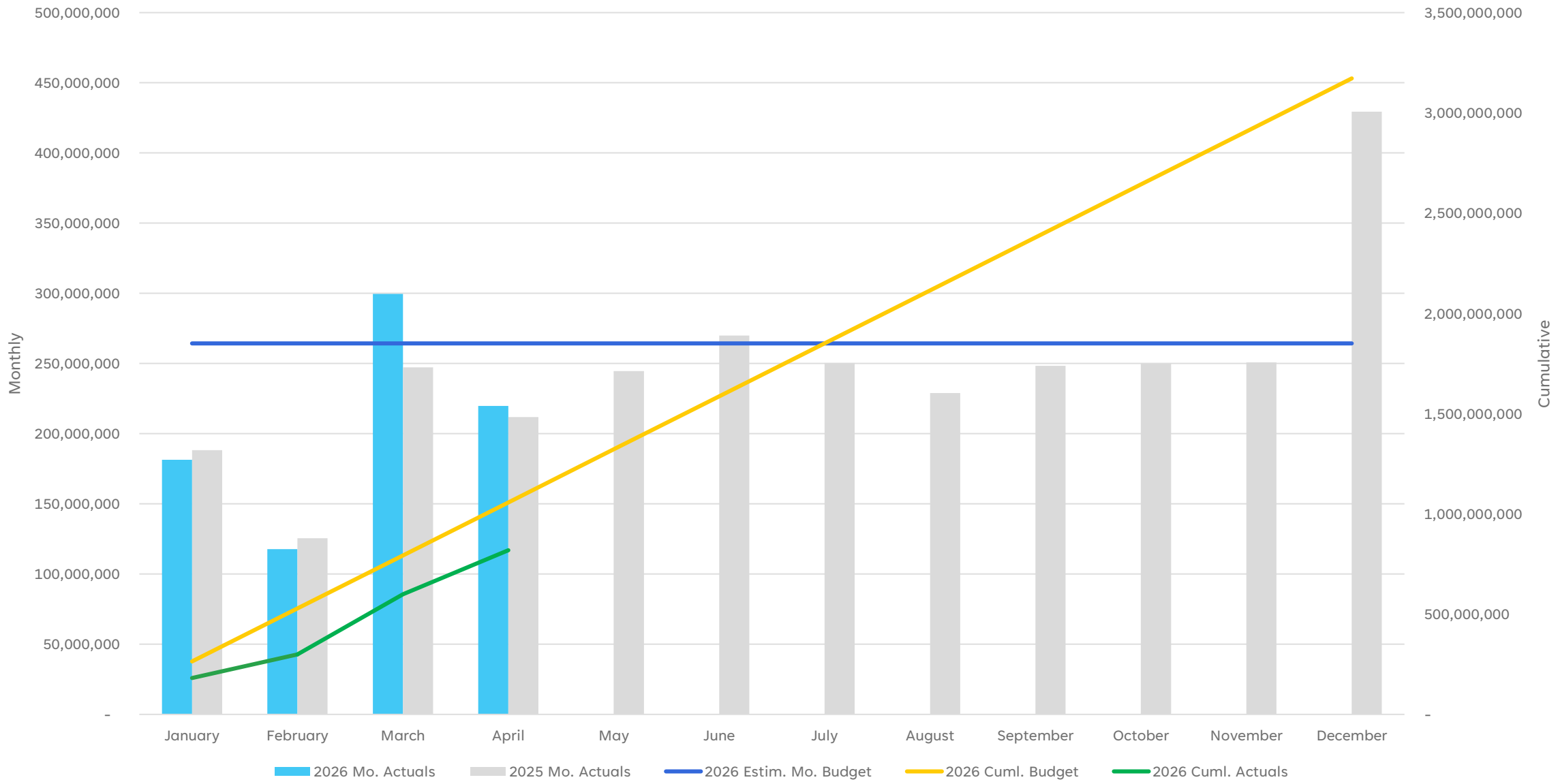
Current FTEs under budget

Line of Business	Budgeted FTE	Hired FTE as of 5/4/2026	Variance	Actual FTE as of 4/24/2026
Public Works	512.3	459.1	53.2	449.3
Law, Safety, Justice	2,501.2	2,427.5	73.7	2,450.3
Sheriff's Office	*883.0*	*879.1*	*3.9*	*958.9*
Attorney's Office	*521.6*	*506.3*	*15.3*	*493.7*
Health	484.5	429.8	54.7	425.3
Human Services	3,718.4	3,799.0	(80.6)*	3,640.4
Operations	1,328.1	1,222.3	105.9	1,148.6
Resident Services	1,093.9	948.1	145.8	913.9
Disparity Elimination	124.5	114.5	10.0	108.7
Countywide	**9,762.9**	**9,400.1**	**362.8**	**9,136.5**
2025	*9,995.6*	*9,625.5 as of 5/5/2025*	*370.1*	*9,568.7 as of 4/25/2025*

Budgeted FTE: 2026 Adopted Budget
Hired FTE: the number of hours an employee was hired and anticipated to work
Actual FTE: the number of actual hours worked by existing staff, including leave time and overtime

**The 2026 budget for Human Services includes a reduction of 237 FTEs, to be achieved through attrition and prioritized hiring of critical resident facing positions.*

Spending under budget through April 2026



***through April 2026, unaudited*

Ongoing federal budget impacts

Current federal impacts

Known funding reductions

Program area	Amount annually
SNAP (Food security)	$8 million
Total	**$8 million**

Funding under protective orders – at risk

$102.6 million

Grants terminated

Program area	Total grant award	Amount cancelled
Department of Homeland Security (DHS)- Federal Emergency Management Agency (FEMA): Shelter & Services Program (SSP), 3 grants	$8,500,000	$2,700,000
DHS – FEMA: Targeted Violence and Terrorism Prevention Program	$106,284	$67,200
HHS/Centers for Disease Control and Prevention: Federal Infrastructure Grant	$1,786,794	$0 (fully expended prior to cancellation)
Total	**$8.6 million**	**$2.76 million**

Anticipated cuts

County program area	Date	Amount annually
SNAP (Food security) Error Rate	2027	$20 million
HUD (Housing security)	2027	$12 million
Medicaid (Hennepin County clinics)	2027	$27 million
Total		**$59 million**

Hennepin Healthcare System Cumulative financial impact (2027-2038)

Total estimated impact: $1.7B reduction

- $1.1B from declining directed payments
- $0.6B from Medicaid disenrollment

Budget management strategies

- Hiring management
- Reviewing contracts and RFPs
- Capital project reviews
- Transition planning with hospital and state

Next update:

- June 11 - board briefing
- July 28 – Committee presentation
- August - briefing
- September proposed 2027 budget

Next steps:

- Executive team and directors continue to evaluate 2026 budget drivers
- Monitor additional State and Federal budget impacts
- Report back in July with current YTD budget and actuals

HENNEPIN COUNTY

MINNESOTA

300 South Sixth Street
Minneapolis, MN
55487-0240

Board Action Request

TMP-26-0460

Item Description:
May 12, 2026 Meeting Minutes

HENNEPIN COUNTY
MINNESOTA

COMMITTEE MINUTES

ADMINISTRATION, OPERATIONS AND BUDGET COMMITTEE
TUESDAY, MAY 12, 2026
1:30 PM

Chair:	Debbie Goettel, District 5
Vice Chair:	Heather Edelson, District 6
Members:	Jeff Lunde, District 1
	Irene Fernando, District 2
	Marion Greene, District 3
	Angela Conley, District 4
	Kevin Anderson, District 7

Commissioner Debbie Goettel, Chair, called the meeting of the Administration, Operations and Budget Committee for Tuesday, May 12, 2026 to order at 2:02 p.m.

Present Commissioner Debbie Goettel, Commissioner Kevin Anderson, Commissioner Irene Fernando, Commissioner Marion Greene, Commissioner Angela Conley, and Commissioner Heather Edelson

Absent Commissioner Jeff Lunde

1. Minutes from Previous Meeting

1.A. April 21, 2026 Meeting Minutes

APPROVE

Commissioner Irene Fernando moved, seconded by Commissioner Angela Conley, to approve the Minutes.

Aye Commissioner Goettel Commissioner Anderson Commissioner Fernando Commissioner Greene Commissioner Conley CommissionerandEdelson

Absent CommissionerandLunde

2. New Business

Routine Items

2.A. **26-0165**

Submission of HUD 2026 Action Plan; neg Agmts A2613442, A2613443, A2613444 with HUD for 2026 CDBG, HOME, ESG Pgrms, 07/01/26-06/30/31, recv $4,777,285; neg ten CDBG agmts, 07/01/26-06/30/31, NTE $2,943,872; neg five HOME agmts, 07/01/26-06/30/81, NTE $1,826,460

CONSENT

Commissioner Kevin Anderson moved, seconded by Commissioner Marion Greene, to approve the Resolution.

Aye Commissioner Goettel Commissioner Anderson Commissioner Fernando Commissioner Greene Commissioner Conley CommissionerandEdelson

Absent CommissionerandLunde

2.B. **26-0166**

Agmt A2613421 with MN Dept of Public Safety to accept funds for the 2025 Urban Area Security Initiative Grant Program, 01/01/26-12/31/27, $1,757,642.29 (recv)

CONSENT

Commissioner Debbie Goettel moved, seconded by Commissioner Heather Edelson, to approve the Resolution.

Aye Commissioner Goettel Commissioner Anderson Commissioner Fernando Commissioner Greene Commissioner Conley CommissionerandEdelson

Absent CommissionerandLunde

2.C. **26-0167**

Authorize supplemental appropriations and contingency transfers to amend the 2025 budget

PROGRESS

Commissioner Irene Fernando moved, seconded by Commissioner Angela Conley, to progress the Resolution to the May 19 Board meeting.

Aye Commissioner Goettel Commissioner Anderson Commissioner Fernando Commissioner Greene Commissioner Conley CommissionerandEdelson

Absent CommissionerandLunde

Addendum

2.D. **26-0191**

Establish Annual Heart of Hennepin Service Award - offered by Commissioner Edelson

PROGRESS

Commissioner Heather Edelson moved, seconded by Commissioner Debbie Goettel, to progress the Resolution to the May 19 Board meeting.

Aye Commissioner Goettel Commissioner Anderson Commissioner Fernando Commissioner Greene Commissioner Conley CommissionerandEdelson

Absent CommissionerandLunde

There being no further business, the Administration, Operations and Budget Committee

for Tuesday, May 12, 2026 was declared adjourned at 2:16 p.m.

Maria Rose
Clerk to the County Board

300 South Sixth Street
Minneapolis, MN
55487-0240

HENNEPIN COUNTY

MINNESOTA

Board Action Request

26-0192

Item Description:
Submission of HC Consortium HOME-ARP Allocation Plan and substantial amendment to the 2021 HUD Annual Action Plan; neg 1 HOME-ARP award Agmt, 05/12/26-05/12/81, NTE $1,000,000

Resolution:
BE IT RESOLVED, that the Hennepin County Consortium HOME-ARP allocation plan and substantial amendment to the 2021 Action Plan be approved; that the plan be submitted to the U. S. Department of Housing and Urban Development; and that the County Administrator be designated as the authorized official to act on behalf of Hennepin County in matters related thereto; and

BE IT FURTHER RESOLVED, that sponsorship and acceptance of grant funding for the programs by the Hennepin County Board of Commissioners does not imply a continued funding commitment by Hennepin County for these programs when grant funds are no longer available; and

BE IT FURTHER RESOLVED, that acceptance of this award in no way reflects acceptance of terms or conditions that are legally unenforceable against Hennepin County; and

BE IT FURTHER RESOLVED, that the 2024 HOME-ARP award (Resolution 24-0251) to Beacon Interfaith Housing Collaborative for supportive housing in Richfield in the amount not to exceed $1,000,000 (Agreement PR00006195), be rescinded and reallocated for distribution under the HOME-ARP Program as described herein; and

BE IT FURTHER RESOLVED, that the County Administrator be authorized to negotiate Agreement PR00008386 with New Generations LLC, or an affiliated entity, for the Community Corner project in Brooklyn Center, with a not to exceed amount of $1,000,000, during the period May 12, 2026 through May 12, 2081; that the following review and approval by the County Attorney's Office, the County Administrator and Chair of the Board be authorized to execute the agreement and other necessary documents; and that the Controller be authorized to disburse funds as directed.

Background:
On March 11, 2021, the American Rescue Plan Act of 2021 was signed into law, including the appropriation of $5 billion to be administered through the HOME Investment Partnerships (HOME) Program to address the need for homelessness assistance and supportive services.

Hennepin County has been awarded a one-time allocation of $6,415,971 of HOME American Rescue Plan (HOME-ARP) funding on behalf of the Hennepin County Consortium (all Hennepin County Cities except for Minneapolis).

Hennepin County's HOME-ARP Allocation Plan, adopted September 27, 2022 (Resolution 22-0358), follows the priorities and goals identified in the county's 2020-2024 Consolidated Plan, the requirements of the American Rescue Plan Act, and HUD Notice CPD-21-10.

To date, HOME-ARP funds have been awarded to three projects. The first two, the Vista 44 project (Resolution 22-0358, Agreement PR00004498, NTE $4,630,000) and the Robin Hotel project (Resolution 22-0510, Agreement PR00004768, NTE $700,000), are fully operational and leased. The third, Aster Commons (Resolution 24-0251, Agreement PR00006195, NTE $1,000,000) was terminated by the developer.

Staff recommend that the reallocation of HOME-ARP funding ($1,000,000) be awarded to New Generations LLC for the Community Corner project in Brooklyn Center. Community Corner will create 31 units of supportive housing for people experiencing and at risk of homelessness. Hennepin County HOME-ARP funding agreements are typically in the form of a 30-40-year loan and must be expended within five years.

Current Request: Approve submission of the Hennepin County Consortium HOME-ARP allocation plan and substantial amendment to the 2021 Action Plan, and authorization to negotiate Agreement PR00008386 with New Generations LLC for the Community Corner project in Brooklyn Center, with a not to exceed amount of $1,000,000.

Impact/Outcomes: This project will create a total of 31 units of supportive housing, including 8 high priority homeless units and 12 units for people with complex medical conditions and homeless.

This request funds services that are: core services

Recommendation from County Administrator: Recommend Approval

HENNEPIN COUNTY

MINNESOTA

300 South Sixth Street
Minneapolis, MN
55487-0240

Board Action Request

26-0193

Item Description:
Neg Amd 1 to Agmt A2613452 with Tasks Unlimited Lodges, add three properties, amend and restate related documents, ext end date to 12/31/36, incr NTE to $588,000

Resolution:
BE IT RESOLVED, that the County Administrator be authorized to negotiate Amendment 1 to Agreement A2613452 with Tasks Unlimited Lodges, or affiliated entity, for supportive housing at 3370/3374 Lilac Drive North, Golden Valley (Resolution 96-5-298, NTE $200,000), adding supportive housing projects at 3579/3581 Independence Avenue North, New Hope, 6312/6314 France Avenue South, Edina, and 4125/4127 Jordan Avenue North, New Hope, under one consolidated agreement; extending the contract period end date from September 20, 2026 through December 31, 2036; increasing the not to exceed amount to $588,000 (consistent with the sum of consolidated agreements); extending, amending and restating related documents as necessary; that following review and approval by the County Attorney's Office, the Chair be authorized to sign the amendment and related documents on behalf of the county; and that the controller be authorized to disburse or receive funds as directed.

Background:
From 1996 to 1998, Hennepin County entered into four HOME Investment Partnerships program agreements (total HOME NTE $588,000) with Tasks Unlimited Lodges for acquisition and rehabilitation of properties at 3370/3374 Lilac Drive North in Golden Valley (Resolution 96-5-298, NTE $200,000); 3579/3581 Independence Avenue North in New Hope (Resolution 95-6-32R1, NTE $88,000); 6312/6314 France Avenue South in Edina (Resolution 97-5-283, NTE $150,000); and 4125/4127 Jordan Avenue North in New Hope (Resolution 98-5-332, NTE $150,000).

Tasks Unlimited Lodges provides supported employment, housing and recovery services for individuals 18 and older, who are diagnosed with severe or persistent mental illness or have struggled with addiction. Services offered include housing recovery services, employment support, and counseling services. Each Lodge provides an opportunity for adults with mental illness to live independently with a group of supportive peers that they choose to live with. Tasks Unlimited offer supportive services to promote long term success and recovery for each “Lodge Member”. Some original Lodge Members still live in these properties today. For many Lodge Members, having a place with affordable rent, being surrounded by supportive peers, and having access to supportive services to sustain employment and manage their mental illness has allowed them to see their Lodge and other Lodge Members as their “found family”, with whom they plan to live with well into retirement.

HOME funds were structured as 30-year deferred loans. Tasks Unlimited Lodges has continued to meet the terms of the loans and Declaration of Restrictive Covenants and now desires to extend the loan terms for all properties through December 31, 2036, as part of their portfolio management.

For administrative clarity, staff recommends consolidating all four loans under one Agreement A2613452, with a total combined not to exceed amount of $588,000.

26-0193

Current Request: This request is for authorization to negotiate Amendment 1 to Agreement A2613452 with Tasks Unlimited Lodges to ensure continued affordability on four projects through December 31, 2036, with a loan amount totaling $588,000.

Impact/Outcomes: Approval of this request will facilitate strategies for preservation of affordable housing rental units.

This request funds services that are: core services

Recommendation from County Administrator: Recommend Approval

300 South Sixth Street
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55487-0240

HENNEPIN COUNTY

MINNESOTA

Board Action Request

26-0194

Item Description:
Neg Agmts with Microsoft Corporation for Microsoft volume licensing, 01/01/27-12/31/29; Agmt M57026 with Insight Public Sector, Inc. for the purchase of Microsoft products and services, 06/11/26-02/20/30, NTE $42,000,000

Resolution:
BE IT RESOLVED, that the County Administrator be authorized to negotiate with Microsoft Corporation for Microsoft volume licensing, during the period January 1, 2027 through December 31, 2029; that following review and approval by the County Attorney's Office, the County Administrator be authorized to sign Microsoft Enterprise Agreement enrollments and other volume licensing documents on behalf of the county; and

BE IT FURTHER RESOLVED, that Agreement M57026 with Insight Public Sector, Inc. serving as a reseller for Microsoft products and services, during the period of June 11, 2026 through February 20, 2030, in an amount not to exceed $42,000,000, be approved; that the Chair of the Board be authorized to sign the Agreement on behalf of the county; and that the Controller be authorized to disburse funds as directed.

Background:
Hennepin County has had a Microsoft Enterprise Agreement since 2011 to provide a unified and centrally managed foundation for enterprise technology. The Enterprise Agreement supports the county's use of productivity applications, cloud services, security capabilities, developer tools, and remote access systems. Microsoft remains the county's largest provider of business-critical software used every day by staff, contractors, volunteers, and library patrons.

The county's current Enterprise Agreement expires at the end of 2026. Board authorization is required to continue licensing Microsoft products and services for the 2027-2029 term. Renewing the Enterprise Agreement ensures continuity for essential operations and maintains compatibility with internal systems and external partners.

The Enterprise Agreement provides consistent pricing, standardized licensing, and predictable costs over the three-year term. As a government entity, the county receives the highest level of programmatic discounts available, and prices remain locked throughout the contract period. This structure simplifies license management and ensures access to the most updated versions of Microsoft software.

The Enterprise Agreement supports enterprise-wide productivity tools used by staff, volunteers, and contractors, including Microsoft Word, Excel, PowerPoint, Outlook, Teams, and SharePoint. These tools also support public-facing devices, such as library workstations, kiosks, and virtual desktops, giving residents modern and accessible tools to complete essential tasks.

The Enterprise Agreement secures the county's collaboration and communication platforms, including Microsoft Teams, which has become a core tool for remote work, virtual meetings, cross department communication, and service delivery. Security and compliance services provided through Microsoft 365 support data protection, identity management, threat detection, and regulatory compliance across county

systems.

The Enterprise Agreement includes the Power Platform - Power Apps, Power Automate, Power Pages, and Power BI - which enables rapid development of digital forms, workflows, dashboards, and department-specific applications. These tools support modernization efforts and allow business areas to create efficient solutions without custom development.

The Enterprise Agreement also includes Azure, which is Microsoft's cloud computing platform. Azure continues to expand the county's ability to deliver digital services reliably and securely. Each application is individually evaluated on a case-by-case basis to determine whether Azure cloud hosting or on-premises hosting is the better fit. By using Azure, the county will avoid an estimated $8 million in on-premises costs over the upcoming three-year term.

Infrastructure licensing covered under the Enterprise Agreement, including Windows Server, SQL Server, GitHub for Copilot, and Visual Studio, supports the county's development teams' mission-critical service delivery, and ensures compatibility for hundreds of internal applications.

Microsoft provides Enterprise Agreement licensing to local governments through authorized resellers. In 2026, the county completed a competitive process to select a reseller available under cooperative purchasing agreements. Insight Public Sector, Inc. was selected based on lowest pricing and demonstrated experience supporting government organizations.

The Enterprise Agreement directly supports the county's disparity reduction, digital equity, and sustainability goals. Library patrons benefit from free access to Microsoft Office applications, enabling job searches, homework support, resume creation, and essential digital literacy. Accessibility tools within Microsoft products support individuals with visual, hearing, motor, and cognitive challenges. Moving workloads from county data centers to Azure cloud services also advances sustainability goals by reducing energy use and lowering carbon emissions.

This technology request has been reviewed and approved by the office of the Hennepin County CIO.

This request funds services that are: core services

Recommendation from County Administrator: Recommend Approval

300 South Sixth Street
Minneapolis, MN
55487-0240

HENNEPIN COUNTY

MINNESOTA

Board Action Request

26-0195

Item Description:
Authorize the County Assessor to consider impact of conservation easements on property values

Resolution:
BE IT RESOLVED, that the County Assessor is authorized to consider the impacts of conservation easements on property values.

Background:
In 2025, Hennepin County and partners successfully advocated a change to Minnesota Statute 273.117 (www.revisor.mn.gov/statutes/cite/273.117) authorizing metropolitan counties that have adopted a program to protect farmland or natural areas to, by resolution, authorize the assessor to consider the impact of a conservation easement on a property's value. Prior to this 2025 law change, county assessors were prohibited from reducing the value of a parcel due to a conservation easement, except in limited circumstances. This resolution would allow the Hennepin County Assessor to do so.

As the Soil and Water Conservation District, Hennepin County works with residents and partner organizations to protect and restore habitat through conservation easements. A conservation easement is a legally binding agreement, voluntarily entered into by the landowner, that permanently protects the property from future development and restores the site's natural features. In 2016, Hennepin County adopted the Conservation Easement Program, formalizing the county's work to permanently protect natural resource corridors and ecologically significant natural areas (Resolution 16-0144R2).

Conservation easements provide wildlife habitat, support clean water and air, sequester carbon, and improve the county's resilience to the impacts of climate change. Because of these benefits, Hennepin County's Climate Action Plan set a goal of acquiring 6,000 acres of conservation easements by 2040. We are nearly 20% of the way toward achieving our goal with 1,096 acres permanently protected.

After five years of working toward this climate goal, one barrier to participation has been the inability to recognize the reduction in property values as a result of enacting a conservation easement.

Authorizing the assessor to consider the impact of a conservation easement on a property's value provides more accurate property tax valuations. Property values can be adjusted when an easement is established, ensuring a landowner's taxes reflect the restrictions on their property's future development potential.

Making property tax assessments fairer to conservation easement owners will make participation more accessible to more residents, ensuring the viability of the county's 6,000-acre easement goal and preserving Hennepin County's most critical natural areas for generations to come.

Recommendation from County Administrator: Recommend Approval

300 South Sixth Street
Minneapolis, MN
55487-0240

HENNEPIN COUNTY

MINNESOTA

Board Action Request

26-0196

Item Description:
Resolution Directing Exploration of a Metro County Public Impact Summit in Partnership with the University of Minnesota Humphrey School of Public Affairs - offered by Commissioners Edelson and Anderson

WHEREAS:
WHEREAS, counties play a vital role in delivering essential services and addressing community needs focused on equitable outcomes for all residents; and

WHEREAS, counties are uniquely positioned to serve as catalysts for local innovation through collaborations grounded in data, research, and aligned strategies; and

WHEREAS, metro counties in the Twin Cities region face increasingly complex and interconnected challenges, including reductions in direct federal support that impact county programming and service delivery; and

WHEREAS, Hennepin County has a long-standing history of regional leadership and partnership with public, academic, and community institutions; and

WHEREAS, the University of Minnesota Humphrey School of Public Affairs is recognized as a national leader in research, public policy, and data analysis, and is well-positioned to convene metro public sector leaders, to present on emerging trends and issues impacting counties and facilitate dialogue around shared strategies that improve residents' lives; and

WHEREAS, a Metro County Public Impact Summit, in partnership with the University of Minnesota Humphrey School of Public Affairs, would provide a regional forum for exploring shared public challenges, fostering collaboration, and advancing practical, evidence-based policy solutions; and

WHEREAS, Hennepin County is well-positioned to serve as the initial host for a pilot Summit with opportunities for future rotation among participating metro counties; and

WHEREAS, the University of Minnesota Humphrey School of Public Affairs and partner organizations would actively pursue support from philanthropic foundations, grant-making institutions, sponsorship partners, and other external funding sources to support the Summit and ensure the initiative proceeds with minimal or no direct financial impact to Hennepin County.

Resolution:
BE IT RESOLVED, that the Hennepin County Board of Commissioners directs the County Administrator to explore the development of a Metro County Public Impact Summit in partnership with the University of Minnesota Humphrey School of Public Affairs and regional stakeholders; and

BE IT FURTHER RESOLVED, that the County Administrator is directed to engage with the University of Minnesota Humphrey School of Public Affairs and participating partners in the planning and conceptual development of the proposed Summit; and

BE IT FURTHER RESOLVED, that the County Administrator shall work collaboratively with the University of Minnesota Humphrey School of Public Affairs and regional stakeholders to identify, pursue, and secure funding commitments from philanthropic foundations, grant-making organizations, sponsorship partners, and other external funding sources to support the planning and implementation of the Summit; and

BE IT FURTHER RESOLVED, that Hennepin County may serve as the proposed host for a pilot convening between 2026 and 2027, with consideration for future regional hosting opportunities among participating counties; and

BE IT FURTHER RESOLVED, that advancement into implementation, contractual commitments, or operational execution of the Summit shall be contingent upon the successful securing of sufficient external philanthropic and partner funding to ensure the initiative proceeds with minimal or no direct financial impact to Hennepin County.

Recommendation from County Administrator: No Recommendation

300 South Sixth Street
Minneapolis, MN
55487-0240

HENNEPIN COUNTY

MINNESOTA

Board Action Request

26-0216

Item Description:
Directing County Administrator to identify and retain a consultant to assist with recruiting and vetting candidates for reconstituted Hennepin Healthcare System board; and to engage the County's consultant for finalizing a long-term capital planning strategy for county-owned real estate leased to Hennepin Healthcare System.

Resolution:
BE IT RESOLVED, the Hennepin County Board of Commissioners directs the County Administrator to identify a consultant to assist the County Board with recruiting and vetting candidates for the reconstituted Hennepin Healthcare System board, which may include engagement with community, patients, workforce, or other stakeholders as appropriate; and authorizes the County Administrator to take any necessary steps to identify such consultant, which may include soliciting proposals, and/or negotiating and executing an agreement; and

BE IT FURTHER RESOLVED, that Agreement PR00006978 with Cannon Design, Inc. to develop the Hennepin Healthcare System Facilities Planning Framework, be amended to extend the term through December 31, 2026.

Background:
Based on recent legislative changes, the Hennepin County Board must reconstitute the HHS board by January 15, 2027. This will require the County Board to recruit and vet at least 9 external board members in the next several months. This resolution would authorize the County Administrator to take necessary actions to retain outside consulting expertise and assistance with recruiting and vetting candidates for appointment by the January 15 deadline.

This resolution also directs the County Administrator to re-engage with Cannon Design, Inc., on the Hennepin Healthcare System Facilities Framework and to extend the contract to December 2026. This work had been temporarily paused while the County and HHS pursued state funding support for Hennepin Healthcare.

As additional background on the legislative changes related to governance, in August 2025, through Resolution 25-0297 R1, the Hennepin County Board exercised its statutory reserved power to remove the entire corporate board of Hennepin Healthcare System, Inc. (HHS), and resume interim management of its subsidiary corporation HHS, including the Hennepin County Medical Center (HCMC). The County Board has served as the direct governing body of HHS since that time through the recent period of acute financial crisis.

In April 2026, the County Board held a public briefing related to HHS, which included an update on the County's efforts to secure funding for HHS from the state. The briefing also included an update on the work in progress to review the governance of HHS, as directed by Resolution 25-0513. During the April public briefing, county staff outlined a proposed timeline for key governance actions, including:

- June 30: County Board receives report on HHS governance
- Q3 of 2026: County Board considers any actions to update bylaws and agreements with HHS

- Q4 of 2026 to Q1 of 2027: County Board recruit new members for HHS corporate board

The proposed timeline will change slightly because of the recent legislation. In May 2026, the Minnesota State Legislature passed a Health and Human Services bill, which included a provision authorizing $205 million in stabilization funding for HHS and an additional $500 million reserve account available through 2031. This state funding will provide key support to HHS to relieve its immediate financial crisis. The state legislation also directs the Hennepin County Board to “reconstitute the corporate board of Hennepin Healthcare System, Inc.” and “complete the transition of governance of [HHS] to the reconstituted corporate board” by January 15, 2027. See Conference Committee Report for S.F. No. 4612 at article 3, section 16 (2026 Minn. Legislature). This legislative deadline generally aligns with the timeline that was previously proposed to the County Board during its April briefing.

The state legislation also modified the statutory qualifications for HHS board members, with the relevant update stating:

“At least 75 percent of the board’s noncounty commissioner members must have expertise in hospital administration, finance, business management, law, or health equity, or have other experience relevant to the administration of a health system and safety net hospital, with a preference for members with experience working in an urban setting with diverse cultural communities. Up to 25 percent of the board’s noncounty commissioner members may represent urban, cultural, and ethnic perspectives of the population serviced by the corporation and the patient or consumer perspective.”

See Minnesota Statutes 383B.903, subdivision 4, as revised by Conference Committee Report for S.F. No. 4612 at article 3, section 8 (2026 Minn. Legislature).

Under Minnesota Statutes 383B.903, subdivision 1, the HHS corporate board consists of 11-15 members (including 2 county commissioners). As a result, the County Board has approximately 7 months to identify and appoint at least 9 external candidates who meet the recently updated statutory qualifications. As outlined above, this resolution would authorize a consultant to assist with this process, which may include engaging with community, patients, workers, and other stakeholders.

In addition, this resolution directs the County Administrator to re-engage with the county’s outside consultant, Cannon Design, Inc., on the Hennepin Healthcare System Facilities Framework and to extend the contract to December 2026. The 10-year Hennepin Healthcare System Facility Planning Framework includes future building scenarios that balance the needs and priorities of key departments and help decision-makers visualize the benefits, drawbacks, and costs of facility options and will assist county and hospital leaders to plan with maximum flexibility in mind. The framework will assist Hennepin County with strategic facilities decisions to address space needs of the system and its supportive functions and infrastructure.

This work is critically important because the County owns the real estate that comprises HHS’s campus, located in downtown Minneapolis, and occupying over 3.34 million square feet within eight city blocks. The hospital includes an adult and pediatric trauma center, critical burn center, emergency and inpatient psychiatric care, multiple inpatient units and clinics that provide care to people from the metro area and from across the state.

Many of the HHS buildings are over 50 years old and are past their useful lives. The current limitations in physical space hinder HHS’s ability to fully address all patient needs and hinders efficient healthcare delivery. In January 2025, after a request for proposal process, Hennepin County selected Cannon Design, Inc. to provide a 10-year Hennepin Healthcare System Facility Planning Framework for the downtown campus. This work was suspended in late 2025 as the County responded to HHS’s recent period of acute financial crisis, and will be re-started by this resolution.

As outlined above, the state has provided some short-term funding to relieve HHS's financial crisis. The state legislation also created a new state advisory task force to evaluate the governance, ownership, and financing model that will provide long-term stability to HHS as a regional and statewide public health and public safety asset. The condition of HHS's facilities are a key factor in its ability to provide critical health care services.

This request funds services that are: both mandated and core services

Recommendation from County Administrator: Recommend Approval