



July 4, 2011

VIA EMAIL

Special Master Kathleen Blatz
c/o Courtroom Clerk Christopher Channing
Ramsey County District Court
15 West Kellogg Boulevard
St. Paul, MN 55102

**Re: In re Temporary Funding of Executive Branch Core Functions –
Governor’s Proposed First Report and Recommendations**

Dear Special Master Blatz:

At the first hearing before the Special Master on Friday, July 1, the substantive participation of Special Counsel to Governor was limited by the last-minute disclosure of the agenda and the fact that decision makers were heavily involved in the first day of the shutdown. In the aftermath of that hearing, and over the holiday weekend, we communicated with the Governor, met with the Governor’s staff, and met with five Commissioners to review the issues raised on July 1 and likely to be raised tomorrow.

The Commissioners' staffs are fully engaged and commit to respond promptly to issues raised in the Special Master hearings. Further, because many of the issues relate to the Department of Human Services, Commissioner Lucinda Jesson will be present at the hearing tomorrow, commencing at 7:45 a.m., to try to resolve on the spot as many issues as possible.

As we considered the best way to present the position of the Governor, we settled on a document we have captioned *Governor’s Proposed First Report and Recommendation of Special Master*. The proposed report has four sections:

Section I proposes recommendations regarding the petitioners who appeared on July 1.

Section II proposes recommendations regarding Department of Human Services and Department of Public Safety programs, only some of which were discussed on July 1.

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Section III proposes a procedure going forward on Department of Human Services issues. We believe that the system proposed will assist in the prompt and fair resolution of the concerns of human services providers and their clients.

Section IV identifies some of the issues likely to arise in connection with the petitioners on the calendar for the hearing tomorrow. We expect to supplement Section IV after the hearing.

Sincerely,

A handwritten signature in black ink, appearing to read "David L. Lillehaug". The signature is fluid and cursive, with the first name "David" being the most prominent.

David L. Lillehaug

cc: Law Clerk Fiona Ruthven
Courtroom Clerk Christopher Channing
Solicitor General Al Gilbert
Governor Mark Dayton
Eric Magnuson, Esq.
Senate Counsel Tom Bottern

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF RAMSEY

SECOND JUDICIAL DISTRICT

In re Government Shutdown Litigation)

In re Temporary Funding of Core)
Functions of the Executive Branch)
Of the State of Minnesota)

Case Type: Civil

Court File No. 62-cv-11-5203

**[GOVERNOR'S PROPOSED] FIRST REPORT
AND RECOMMENDATIONS OF THE SPECIAL MASTER**

Upon referral of Chief Judge Kathleen Gearin pursuant to the Findings of Fact, Conclusions of Law, and Order Granting Motion for Temporary Funding dated June 29, 2011 ("June 29 Order"), this matter came before the Special Master for hearing on Friday, July 1, 2011. Attorney General Lori Swanson, Solicitor General Al Gilbert, and others appeared for the Office of the Attorney General. David Lillehaug and Joseph Cassioppi, Fredrikson & Byron, P.A., appeared as Special Counsel to the Office of the Governor. The Minnesota Senate and the Minnesota House of Representatives were invited to participate, but declined.

Numerous attorneys and witnesses appeared for associations and other organizations to urge positions regarding continued operations during the government shutdown. Based on the testimony, submissions from the attorneys and witnesses, and the arguments of counsel, the Special Master makes the following report and recommendations to Chief Judge Gearin.

I. PETITIONERS ON FRIDAY, JULY 1, 2011.

A. Minnesota Association of Treatment Programs ("MATP") and Vinland National Center ("Vinland"). MATP and Vinland petitioned separately to request that the chemical dependency treatment services funded by the Consolidated Chemical Dependency Treatment Fund (CCDTF) be considered core critical functions of government and continue to receive

funding during the government shutdown. Counsel for the Governor has confirmed that chemical dependency treatment services funded by CCDTF were included in the list of critical services submitted by the Governor and approved by the Court in Exhibit A to the June 29 Order. To the extent that clarification is required to ensure continued funding of services funded by CCDTF, the [Attorney General and] Governor agree[s] that these services are critical to the life, health, and safety of the citizens of Minnesota and has [have] no objection to amendment of the June 29 Order to clarify services funded by CCDTF as critical core functions of the government. Accordingly, the Special Master recommends that the Court amend the June 29 Order to clarify that services funded by CCDTF are critical core functions of the government.

B. Minnesota AIDS Project. The Minnesota AIDS Project petitioned to request that the HIV case management and HIV benefits counseling services it provides be classified as critical core functions of government. Counsel for the Governor has confirmed that the HIV case management and HIV benefits counseling services provided by the Minnesota AIDS Project were included in the list of critical services submitted by the Governor and approved by the Court in Exhibit A to the June 29 Order. To the extent that clarification is required to ensure continued funding of the HIV case management and HIV benefits counseling services provided by the Minnesota AIDS Project, the [Attorney General and] Governor agree[s] that these services are critical to the life, health, and safety of the citizens of Minnesota and have no objection to amendment of the June 29 Order to clarify that these services are critical core functions of the government. Accordingly, the Special Master recommends that the Court amend the June 29 Order to clarify that the HIV case management and HIV benefits counseling services provided by the Minnesota AIDS Project are critical core functions of the government.

C. Association of Residential Resources in Minnesota, Minnesota Development Achievement Center Association, and Minnesota Habilitation Coalition, Inc. (collectively, “the Residential Resources Petitioners”). The Residential Resources Petitioners petitioned to request that the Minnesota Department of Human Services (“DHS”) rehire the staff necessary to perform background studies in the DHS Licensing Division for the employees and volunteers that perform services for the Residential Resources Petitioners’ member organizations.

The services provided by the DHS Licensing Division were classified as Priority 3 Critical Services in the Priority Service Definitions and Categories created by the Governor’s Statewide Contingency Response Team (“SCRT”). Priority 3 Critical Services are defined as “[s]ervices required by law or rule that can be suspended by law or rule during an emergency.” The definition also provides that Priority 3 Critical services have “a recovery time objective of six days to 30 days that can be disrupted temporarily but must be re-established sometime before the emergency or disruptive event is over (<6 weeks).” To balance the importance of these services with Article XI, Section 1 of the Minnesota Constitution, the Department of Human Services recommends that the DHS Licensing Division remain closed until July 18, 2011. The Department of Human Services believes that if appropriation bills are not enacted into law before July 18, 2011, the continued cessation of services performed by the DHS Licensing Division will threaten the life, health, and safety to the citizens of Minnesota. Accordingly, the Special Master recommends that the Court amend the June 29 Order to provide that, if appropriation bills are not enacted before July 18, 2011, the services provided by the DHS Licensing Division will, as of July 18, 2011, be classified as critical core functions of the government.

D. The Arc Minnesota (“the Arc”). The Arc petitioned to request that its services, funded by DHS Housing Access Services grants, which assist individuals to move out of

licensed settings or family homes into homes of their own, be classified as critical core functions of government. Through its Petition and testimony, it is apparent that the Arc provides services that are exceedingly important to the vulnerable Minnesotans it serves. However, the Special Master and the parties are bound by the June 29 Order, which provides:

Numerous Minnesota non-profit organizations have filed to either intervene in the proceedings or to participate as amicus curiae. They provide services to vulnerable clients. These clients may suffer hardships and fail to make the progress of which they are capable without the assistance of these non-profits. Some non-profit entities will not survive without state appropriations. Neither the good services they provide nor the fact that they may cease to exist without state funding is sufficient cause to deem their funding to be a critical core function of government and to overcome the constitutional mandate in Article XI.

June 29 Order at Findings of Fact ¶ 31. Based upon the June 29 Order, the Special Master recommends that the services provided by the Arc not be classified as critical core functions of the government.

E. Vail Place. Vail Place petitioned to request that its services, funded in part by DHS Rule 78 mental health grants made to Hennepin County, which provide community support services to adults with serious and persistent mental illness, be classified as critical core functions of government. To the extent that clarification is required to ensure continued funding of the Rule 78 mental health grants, the [Attorney General and] Governor agree[s] that these services are critical to the life, health, and safety of the citizens of Minnesota and have no objection to amendment of the June 29 Order to clarify that these services are critical core functions of the government. Accordingly, the Special Master recommends that the Court amend the June 29 Order to clarify that Rule 78 mental health grants are critical core functions of the government.

F. Minnesota Coalition for Battered Women (“MCBW”) and Minnesota Coalition Against Sexual Assault (“MNCASA”). MCBW and MNCASA petitioned separately to request

that crime victim services including domestic violence programs, shelters and safe homes for battered women and their children, supervised visitation centers, sexual violence shelters, abused children programs, general crime programs, and sexual assault victim advocacy services be classified as critical core functions of government. The [Attorney General and] Governor agree that these services provided by the member programs represented by MCBW and MNCASA constitute critical core functions of the government (including to support the judicial department, which remains operating) necessary to protect the life, health, and safety of the citizens of Minnesota. The Special Master recommends that the Court amend the June 29 Order to provide that the services provided by the member programs represented by MCBW and MNCASA are critical core functions of the government.

G. Minnesota Association of Community Mental Health Programs, Inc. (“MACHMP”). MACHMP petitioned to request that three services provided by, or to, its member organizations be classified as critical core functions of government. First, MACHMP requests that DHS’s State Operated Services Divisions continue to provide approximately 125 state employees, under contract with social services agencies, to provide mental health services. Second, similar to Vail Place, MACHMP requests that some of the services provided by its members, funded in part by DHS Rule 78 mental health grants made to counties, which provide community support services for adults with serious and persistent mental illness, be classified as critical core functions of government. Finally, similar to the Residential Resources Petitioners, MACHMP requests that DHS rehire the staff necessary to perform background studies in the DHS Licensing Division for the employees and volunteers that perform services for MACHMP’s member organizations. Through its Petition it is apparent that MACHMP provides services that are exceedingly important to the vulnerable Minnesotans it serves. The June 29 Order

recognizes that the government shutdown will cause hardships to non-profits and the vulnerable citizens they serve. Therefore, the Special Master recommends that the DHS's State Operated Services Division not be ordered to rehire employees to provide services to MACHMP's member organizations. However, the Special Master recommends that the Court amend the June 29 Order to clarify that the services performed by MACHMP's members funded by Rule 78 mental health grants are critical core functions of the government. Finally, as with the Residential Resources Petitioners, the Special Master recommends that the Court amend the June 29 Order to provide that, if appropriation bills are not enacted before July 18, 2011, the services provided by the DHS Licensing Division will, as of July 18, 2011, be classified as critical core functions of the government.

H. Coalition of Child Care Providers ("Child Care Providers"). The Child Care Providers petitioned to request that all child care assistance programs funded in part by federal dollars be continued as critical core functions of the government. The June 29 Order provides that, with the exception of programs funded under the Temporary Assistance for Needy Families program ("TANF"), child care assistance programs are not critical core functions of the government. After conferring with DHS, the Governor has confirmed that it is impossible at this time for DHS to provide funding for child care programs through TANF without also providing funding through the Child Care Development Fund and corresponding state funding. Because of the importance of these programs and because there is an issue under the Supremacy Clause of the United States Constitution, the [Attorney General and] Governor recommend[s] that the Minnesota Family Investment Program, Transition Year Child Care Assistance Program, and Basic Sliding Fee Program, as well as the State's administrative infrastructure -- Minnesota Electronic Child Care -- be classified as critical core functions of government. Accordingly, the

Special Master recommends that the Court amend the June 29 Order to provide that the Minnesota Family Investment Program, Transition Year Child Care Assistance Program, Basic Sliding Fee Program, and Minnesota Electronic Child Care be classified as critical core functions of government.

I. Minnesota Coalition for the Homeless (“Homeless Coalition”). The Homeless Coalition petitioned to request that services funded through the Long-term Homeless Supportive Services Fund, the Family Homelessness Prevention and Assistance Program, and the Transitional Housing Program be classified as critical core functions of government. The [Attorney General and] Governor agree[s] that the services funded by these programs are necessary to protect the life, health, and safety of the citizens of Minnesota. Accordingly, the Special Master recommends that the Court amend the June 29 Order to provide that the services funded through the Long-term Homeless Supportive Services Fund, the Family Homelessness Prevention and Assistance Program, and the Transitional Housing Program be classified as critical core functions of government.

J. BLIND, Inc. BLIND, Inc. petitions to request that adjustment to blindness training, which BLIND, Inc. provides through an operating agreement with, and funding from, State Services for the Blind (“SSB”), be classified as a critical core function of government. These services include providing training for basic life skills for youths, adults, seniors, and non-native English speaking individuals who have lost the ability to function in essential activities of daily life as a result of blindness. The [Attorney General and] Governor agree[s] that the services provided by BLIND, Inc., funded with state and federal dollars through SSB, are necessary to protect the life, health, and safety of the citizens of Minnesota. Accordingly, the Special Master recommends that the Court amend the June 29 Order to provide that adjustment

to blindness training through BLIND, Inc., be classified as a critical core function of government.

K. Southern Minnesota Regional Legal Services, Inc. ("SMRLS"). SMRLS petitions to request continued funding for (1) short-term shelter and utility needs for individuals under county Emergency Assistance ("EA") programs; (2) payments to individuals under the Emergency General Assistance program ("EGA") and Emergency Minnesota Supplemental Aid ("EMSA"); and (3) state support necessary to issue benefit payments of unspent EA, EGA, and EMSA funds from counties' 2010-2011 allocations. The June 29 Order requires continued funding from the TANF program and continued payments under the Minnesota Family Investment Program ("MFIP"), General Assistance ("GA"), and Minnesota Supplemental Aid ("MSA") programs. Counsel for the Governor has confirmed that short-term shelter and utility needs for individuals under county EA programs, payments to individuals under the EGA program and EMSA, and the state support necessary to issue benefit payments of unspent EA, EGA, and EMSA funds from counties' 2010-2011 allocations, were included in the list of critical services submitted by the Governor and approved by the Court in Exhibit A to the June 29 Order. To the extent that clarification is required to ensure continued funding of these services, the [Attorney General and] Governor has [have] no objection to amendment of the June 29 Order to clarify that these EA, EGA, EMSA, and state support services are critical core functions of the government. Accordingly, the Special Master recommends that the Court amend the June 29 Order to clarify that (1) short-term shelter and utility needs for individuals under county EA programs; (2) payments to individuals under the EGA program and EMSA; and (3) state support necessary to issue benefit payments of unspent EA, EGA, and EMSA funds from counties' 2010-2011 allocations, are critical core functions of the government.

L. Jewish Family & Children's Service of Minneapolis, Minnesota Workforce Council Association, Affirmative Options, and Minnesota Community Action Partnership ("MinnCAP") (collectively, "the Consolidated Fund Petitioners"). The Consolidated Fund Petitioners petitioned separately to request continued funding for employment service providers under the TANF/MFIP Consolidated Fund. The June 29 Order requires continued funding from the TANF program. Because of the importance of these programs, without which citizens may lose state and federal benefits, the [Attorney General and] Governor agree[s] that the programs are necessary to protect the life, health, and safety of the citizens of Minnesota and recommend[s] that the funding from the TANF/MFIP Consolidated Fund continue to employment service providers. Accordingly, the Special Master recommends that the Court amend the June 29 Order to clarify that employment service providers funded by the TANF/MFIP Consolidated Fund be classified as critical core functions of government.

MinnCAP petitioned separately to request that services provided by its member organizations through the Minnesota Community Action Grant be considered critical core functions of government. Through its Petition it is apparent that the members of MinnCAP provide services that are exceedingly important to the vulnerable Minnesotans they serve. However, the June 29 Order recognizes that the government shutdown will cause hardships to non-profits and the vulnerable citizens they serve. The Special Master recommends that the services provided by members of MinnCAP, funded by the Minnesota Community Action Grant, not be classified as critical core functions of government.

M. Karen Organization of Minnesota ("KOM"). KOM petitioned to request that the services it provides to refugees, 100 percent funded through DHS by the United States Refugee Act of 1980, as amended, continue to be paid through reimbursements during the government

shutdown. Certain types of refugee services are important to the lives, health, and safety of refugees. Because the DHS Resettlement Program Office (“RPO”) is provided 100 percent of its funding for refugee resettlement programs by the federal government, the [Attorney General and] Governor recommend[s] that refugee resettlement services continue to receive funding from RPO during the government shutdown. Accordingly, the Special Master recommends that the Court amend the June 29 Order to provide that refugee resettlement programs funded 100 percent by the federal government continue to receive funding.

N. Minnesota School Board Association and Intermediate School Districts (the “Special Education Petitioners”). The Special Education Petitioners petitioned to request continuing state and federal funding for special education. The June 29 Order provides that the State must finance an “adequate’ level of education that is uniformly available to all students” pursuant to Article XIII of the Minnesota Constitution and that “[t]his constitutional provision makes funding education a critical core function of government.” June 29 Order at Findings of Fact ¶ 21. The [Attorney General and] Governor agree[s] that special education funding is a critical core function of government pursuant to the Minnesota Constitution. Accordingly, the Special Master recommends that the Court amend the June 29 Order to clarify that special education funding is a critical core function of the government.

II. DEPARTMENT RECOMMENDATIONS.

The Special Master and Special Counsel to the Governor were made aware at 9 p.m. on Thursday, June 30, 2011, of the identities of the petitioners to be heard the next day. Since the July 1 hearing, Special Counsel has advised that the Governor’ staff and Commissioners are engaged in an ongoing review of programs to determine which constitute critical core functions

under the June 29 Order. While that review is ongoing, the Special Master recommends to the Court as follows:

A. Department of Human Services. At the direction of Commissioner of Human Services Lucinda Jesson, the Department has reviewed its list of programs in light of the June 29 Order. Based on that review, the Department has identified programs that fund treatment, food support, health care and child protection services that it considers to be critical core functions under the June 29 Order. Based on the Department's list, the Special Master recommends that the programs on Attachment 1 be considered critical core functions of the government.

B. Department of Public Safety. At the direction of Commissioner of Human Services Ramona Dohman, the Department has reviewed its list of programs in light of the June 29 Order. Based on that review, the Department has identified programs that it considers critical to the life and safety of the citizens of Minnesota and thus it considers to be critical core functions under the June 29 Order. Based on the Department's list, the Special Master recommends that the programs on Attachment 2 be considered critical core functions of the government.

C. The Special Master has been advised that review by the various Departments of their obligations and responsibilities under the June 29 Order is ongoing and that additional program issues may be brought to the Special Master for determination.

III. PROCEDURES GOING FORWARD REGARDING DEPARTMENT OF HUMAN SERVICES.

Many of the issues that arise under the June 29 Order relate to the Department of Human Services, which handles a large number of grants and programs for the poor or vulnerable citizens of Minnesota. Commissioner Lucinda Jesson advises that she seeks to resolve administratively as many issues as possible arising under the June 29 Order. She has requested,

and the Special Master agrees, that all issues regarding Department of Human Services programs should be referred, in the first instance and in writing, to Deputy Commissioner Anne Barry. If the issue is not resolved by Deputy Commissioner Barry within three business days, or the petition alleges that the issue involves an imminent threat to life, health, or safety, the issue shall be brought to the Special Master.

IV. PETITIONERS ON TUESDAY, JULY 5, 2011.

[This portion of the proposed Report will be amended after the July 5 hearing.]

A. Store to Door. While the petitioner has not made any submission, the Department of Human Services advises that this program delivers groceries to seniors and is funded by one of the Area Agencies of Aging (“AAA”). These, in turn, are funded in part by state grants, many of which include federal funds. Not all of the AAA grants are critical core functions, but several of them are: Senior Nutrition Program Grants, SALIL/EDP grants to counties and AAA to coordinate services for seniors; Nutrition Services Incentive Program; and Home Delivered Nutrition Services Grants.

B. The Emily Program. While the petitioner has not made any submission, the Department of Human Services advises that the petition may relate to a new ten-bed facility to treat eating disorders that is scheduled to be inspected July 10.

C. Lutheran Social Services of Minnesota. While the petitioner has not made any submission, the Department of Human Services advises that the petitioner seeks continued funding for a variety of homeless shelter and transitional housing programs, a Low Income Home Energy Assistance Program (administered by the Department of Commerce), continued background studies, and emergency services grants. Some of the programs may be funded by grants from counties, rather than direct grants from the State. Based on conversations with the

petitioner, the Department of Human Services considers the DHS grants to be critical core functions.

D. Hunger Solutions of Minnesota. The petitioner seeks continuation of Food Shelf Grants. The Department of Human Services advises that this program is a critical core function and is continuing.

E. Minnesota Hospital Association, St. David's Center for Child and Family Development, and Minnesota Council of Child Caring Agencies. The petitioners relate to the issue of background studies. The Department of Human Services advises that it is prepared to resume background studies on July 18, 2011.

F. Minnesota Inter-County Association. The Department of Human Services expects that the counties will reference the following programs which it considers critical core functions: Children & Community Services Grants; Rule 78 Mental Health Grants; MFIP Consolidated Fund; Relative Custody Assistance; Child Care; and the Workforce Investment Act (through DEED). The counties are also expected to reference background studies and the continuance of licensing investigations.

G. Minnesota Indian Women's Resource Center (MIWRC). The Department of Human Services advises that the petitioner may raise the issue of its Indian Child Welfare Grant, which the Department views as a critical core function. The petitioner has other issues that will be discussed at the hearing.

H. Minnesota State Retirement System. [To be supplemented after hearing.]

I. Minnesota Auto Dealers Association. [To be supplemented after hearing.]

J. Association of Minnesota Counties. [To be supplemented after hearing.]

K. League of Minnesota Cities. [To be supplemented after hearing.]

L. SEIU Local 284, Kids First MN. The petition relates to child care. See the recommendation above regarding Child Care Providers.

M. Minnesota Association of Community Rehabilitation Organizations. [To be supplemented after hearing.]

N. Ramsey County. Petitioner has not made any submission. [To be supplemented after hearing.]

O. Minnesota Trucking Association. [To be supplemented after hearing.]

P. Lifetrack Resources. While the petitioner has not made any submission, the Department of Human Services expects the petitioner to be concerned about continued MFIP employment services, child care, and refugee services, all of which generally the Department considers to be critical core functions.

Q. Minnesota Historical Society. [To be supplemented after hearing.]

R. Comunidades Latinas Unidas En Servicio. [To be supplemented after hearing.]

Dated: July __, 2011

Special Master Kathleen Blatz

ATTACHMENT 1

Department of Human Services

HUMAN SERVICES DEPT.

Federal and Other Funds Summary

Support Services Grants BACT #41	
Grant / Activity	Purpose / People Served
Direct Appropriations	
General Fund	
MFIP Consolidated Support Services Grants	Consolidated funding allocated to counties and tribes to provide support services for MFIP/DWP participants including job search/skills, adult basic education, GED coaching, short-term training, English proficiency training, county programs to help with emergency needs and help accessing other services such as child care, medical and CD/Mental health services. (approx. served FY09 - 6,400 persons a month). See also Federal Funds.
Federal TANF	
MFIP Consolidated Support Services Grants T01, F640	See General Fund Explanation above.
Federal TANF: ARRA	
ARRA Supported Work-Summer Food Program H01, Z142	Allocated to counties and tribes to provide a continuum of employment assistance to MFIP participants. The Summer Food Program was coordinated by Hunger Solutions Minnesota under contract with the Department of Human Services and served 31,198 families. The purpose was to provide children greater access to nutritious food at food shelves. The program increased the amount of healthy foods available to food shelves during the summer and provided new funding to allow food shelves to increase their services to children. The program operated between July 1, 2010 and September 30, 2010.

BSF Child Care Assistance Grants BACT #42	
Grant / Activity	Purpose / People Served
Direct Appropriations	
General Fund	
Basic Sliding Fee (BSF) Child Care Assistance Grants	BSF child care assistance grants provide financial subsidies to help low-income families pay for child care so that parents may pursue employment or education leading to employment. Funds purchase child care for 15,900 children in 9,100 families (2009). As of April 2010, 3,878 families were on the waiting list for BSF child care.
Statutory Appropriations	
Basic Sliding Fee (BSF) Child Care Assistance Grants:E22;B421	See General Fund Explanation above.

Child Care Development Grants BACT #43	
Grant / Activity	Purpose / People Served
Direct Appropriations	
General Fund	
Migrant Child Care Grants	Provides grant funds to community based program for comprehensive child care services for migrant children throughout the state. Approximately 850 migrant children under 14 years of age served annually.

HUMAN SERVICES DEPT.

Federal and Other Funds Summary

Children's Services Grants BACT# 45	
Grant / Activity	Purpose / People Served
Direct Appropriations	
General Fund	
American Indian Child Welfare Program	Grants to tribes to provide core child welfare services to American Indian children living on participating tribe's reservations. There are 2 grantees: White Earth and Leech Lake reservations. More than 3,000 children and families were served through this grant in CY 2010.
Child Welfare Reform - Prevention / Early Intervention Grants	Grants to counties for child protection services designed to support families to keep children safely at home. Services include training and counseling support for parents and children, stable housing and safe living conditions. Grants support services for 3,500-4,000 families per year.
FC Trans Plan Demo Project (Healthy Transitions and Homeless Prevention)	Grants to providers for transitional planning and housing assistance services to youth preparing to leave long-term foster care or who have recently left foster care. These grants served 943 youth in SFY 2010.
Indian Child Welfare Act (ICWA) Transfer to R21	Grants to tribes and urban American Indian social service agencies to provide services to preserve and strengthen American Indian families and reunify children in out-of-home placement with their families. Funds 18 programs and served over 2,800 children.
Subsidized Adoption Grants	Payments to adoptive families to offset cost of assuming custody of and caring for special needs children. Critical to securing permanency for special needs wards of the state and consistent with the federal requirements and the Performance Improvement Plan (PIP) for the state's Child welfare system. (7,188 children)
Relative Custody Assistance Grants	Payments to relatives to offset cost of assuming permanent and legal custody of and caring for special needs children. Critical to securing permanency for children with special needs and consistent with the federal requirements and the Performance Improvement Plan (PIP) for the state's Child welfare system. Approximately 1,950 children served.
Statutory Appropriations	
Special Revenue Fund	
Parent Support Outreach Grant	Grants to counties and community-based agencies for child abuse and neglect prevention and services to families to reduce the risk of child maltreatment and enhanced family capacities.
Federal Fund	
Title IV-B2 Family Preservation Grants (Family Alternative Response Grant)" F00, C237	Grants to counties and tribes to provide child protective services to strengthen families and to prevent out of home placement when it is safe to do so. Grant supports services for 2,500-3,000 families per year.
Title IV-E Parent Support Outreach F08, C200	Federal participation for grants for parent support outreach efforts.
Title IV-B1 Family Preservation Grants (Family Response Grant) F08, C281	Grants to counties and tribes to provide core child protection services to strengthen families and to prevent out of home placement when it is safe to do so. Grant support services to 2,500-3,000 families per year.
Independent Living Grants F15, C293	Grants to counties, providers, and tribes providing assistance and Independent Living Programs to adolescents in foster care. Approximately 800 high-risk youth served annually.

HUMAN SERVICES DEPT.

Federal and Other Funds Summary

Children & Community Services Grants BACT # 46	
Grant / Activity	Purpose / People Served
Direct Appropriations	
General Fund	
Children & Community Services Grants	Grants to all Minnesota counties to purchase or provide services for children, adolescents and other individuals who experience dependency, abuse, neglect, poverty, disability, or chronic health conditions. This grant contributes to costs for services to approx. 435,000 people annually.
Statutory Appropriations	
Federal Fund	
Title XX - Migrant Day Care Grants: F82:C283	Grant provides child care in a number of counties for children whose parents, guardian or current caretakers have changed residence recently to obtain employment in a temporary or seasonal agricultural activity. (approx. 860 children per year.)
Title XX - Children & Community Services Grants: F82, S505	Grants to all Minnesota counties to purchase or provide services for children, adolescents and other individuals who experience dependency, abuse, neglect, poverty, disability, or chronic health conditions. This grant contributes to costs for services to approx. 435,000 people annually. See also General Fund Explanation.

Children & Economic Assistance Grants BACT #47	
Grant / Activity	Purpose / People Served
Direct Appropriations	
General Fund	
Food Shelf Grants	Grants for purchase and distribution of food to food shelves throughout the state, including some administrative costs.
Transitional Housing Grants	Provides supportive housing and supportive services to homeless individuals and families so that they can secure permanent, stable housing. (Serves 4,000 individuals annually)
Emergency Services Program	Funds the operating costs of shelters and essential services to homeless families and individuals. (Serves 3,000 individuals annually)
Long Term Homeless Services Grants	Grants to county / provider partnerships to provide supportive housing services to long-term homeless individuals and families. Funds may be used at local level for HUD housing match.
Runaway and Homeless Youth	Grants to non-profit agencies for the provision of street outreach, drop-in centers, transitional living programs and supportive housing to runaway and homeless youth.
Minnesota Food Assistance Program	State funded food benefits for legal non-citizens who do not qualify for federal food stamps.

HUMAN SERVICES DEPT.

Federal and Other Funds Summary

<u>Statutory Appropriations</u>	
TEFAP Grants: Appr. E26 B312	Distributes U.S. Department of Agriculture (USDA) donated food commodities to individuals and families who use on-site meal programs, food shelves and shelters. This program design ensures an equitable distribution of commodities to all 87 counties.
HUD ESGP Grants E27; B315	The Emergency Shelter Grant Program (ESGP) provides funding to shelters and transitional housing programs for operating costs, essential services, and homelessness prevention.
Rural & Homeless Youth Grants: E37, B482	This state and local collaborative provides transitional living program and independent living skills to runaway youth and homeless youth in a seven county / three reservation region of Cass, Crow Wing, Mille Lacs, Morrison, Todd, Wadena in addition to the Leech Lake and Mille Lacs Reservations.
Food Stamps (non-MFIP) F14; F170	Grants to low income households to improve nutrition and achieve food security.
FSP Cash out Benefits – SSI F47; F107	Cashed out food benefits to SSI/elderly.
Federal Fund: ARRA	
ARRA FSP Cash out Benefits SSI H47, Z114	Cashed out food benefits to SSI/elderly.

Refugee Services Grants BACT #48	
Grant / Activity	Purpose / People Served
<u>Statutory Appropriations</u>	
Federal Fund	
Refugee Cash Assistance: F20, F549	Cash grants to needy refugees who do not have children in the home. (approx. served –200 per month)
Refugee CMA Admin Grants F20, F571	Grants to voluntary resettlement agencies to operate Refugee Cash Assistance and to the Department of Health for the implementation of health screening for refugees.
Refugee Medical Assistance F20, F572	Grants to medical providers for medical care received by needy refugees without minor children in the home. (approx. served –200 per month)
Refugee Social Services F70, F552	Grants to nonprofit agencies to help refugees who encounter difficulties adjusting to life in the United States. Approx. Served 534 per month

Aging & Adult Services BACT #53	
Grant / Activity	Purpose / People Served
<u>Direct Appropriations</u>	
General Fund	
SAIL/EDP and LAH/BN Grants	SAIL/EDP: \$754,000. Grants to certain counties and Area Agencies on Aging (AAAs) to integrate, coordinate and enhance informal, quasi-formal and formal services for seniors. (Impacts 87 counties that serve 350,000 older individuals) Block Nurse: \$617,000 to 31 service providers for -in-home services.
Senior Nutrition Program Grants	Grants to AAAs and service providers to supplement federal funding to provide meals, and other related services in a congregate meal setting or to homebound seniors. (Approximately 57,000 congregate and 14,000 home delivered unduplicated persons served).

HUMAN SERVICES DEPT. Federal and Other Funds Summary

Statutory Appropriations	
Federal Fund	
Nutrition Services Incentive Program F38, S181	OAA grants to AAAs and local nutrition providers as a separate allocation based on the number of meals served in the previous project year. (See Senior Nutrition Program Grants)
Title III C2 Home Delivered Nutrition Services Grants F99, S156	OAA grants to AAAs and service providers to provide home delivered meal services targeted to seniors in the greatest economic and social need. (See Senior Nutrition Program Grants)

BACT # 54 Deaf & Hard of Hearing Grants	
Grant / Activity	Purpose / People Served
Direct Appropriations	
General Fund	
DHHS Grants (propose to open 7/18/11)	Grants for multiple services and equipment to help Minnesotans who are deaf, deafblind, and hard of hearing or have multiple disabilities, including deafness, to remain independent and part of their communities. In FY 09 these grants served 22,000 people
Hearing Loss Mentors (propose to open 7/18/11)	Grant funding pays for deaf mentors to work with families who need to learn sign language and communication strategies to communicate with their children who have learning loss.

Disabilities Grants BACT# 55	
Grant / Activity	Purpose / People Served
Direct Appropriations	
General Fund	
State Case Management Grants	Funding to clinics and community based organizations for the provision of case management services to persons living with HIV as well as payments to purchase insurance coverage for eligible individuals. (Approximately 900 clients served per year). During two different legislative sessions (2008, 2010), the appropriation has been delayed one fiscal year and repaid in the next biennium. FY 12 shows the normal base amount for the program.
State Insurance Premium Grants	Funding to supplement federal allocations (H119) and special revenue funds (H125) to maintain private insurance coverage for people living with HIV. These three funding streams serve approximately 1,500 persons per year. NOTE: Due to budget reductions, the base amount per year varies. During two different legislative sessions (2008, 2010), the appropriation has been delayed one fiscal year and repaid in the next biennium. FY 12 shows the normal base amount for the program.
Consumer Support Grants	The Consumer Support Grant (CSG) program is a state-funded alternative to Medicaid home care services of home health aide, personal care assistance and/or private duty nursing. Counties administer the CSG grants and work with consumers who are seeking greater flexibility and freedom of choice in their home care service delivery. Note: There is a small base for this grant plus a transfer from Medical Assistance. (Approximately 1,657 people served per year).

HUMAN SERVICES DEPT.

Federal and Other Funds Summary

Statutory Appropriations	
Special Revenue Fund	
ADAP Drug Rebates-Title II Grants	Dedicated funding resulting from ADAP drug rebates that supplements state (H115) and federal (H119) allocations to maintain private insurance coverage and/or purchase HIV related drugs. These 3 funding streams serve approximately 1,500 persons.
Federal Fund	
Title II - Base Grant F59, H118	Dedicated federal funding that helps individuals with HIV / AIDS obtain access to necessary medical care, nutritional supplements, dental services, mental health services, support services and outreach to high risk, underserved populations.
Part B – ADAP Grants - Title II Grant F59, H119	Federal funding dedicated to maintain private insurance coverage for people living with HIV and/or purchase HIV related drugs. Funds used in conjunction with state (H115) and special revenue (H125) funds (Approximately 1,500 people served.).

Adult Mental Health Grants BACT #57	
Grant / Activity	Purpose / People Served
Direct Appropriations	
General Fund	
Adult Mental Health Integrated Fund	Grants to counties for Adult MH initiatives including crisis response and case management services. For most counties, this includes integrated administration of Adult MH Community Support Grants and Residential Treatment Grants. (CY 2009, 18,800 adults served)
Rule 78 Adult Mental Health Grant	Grants to counties for community support services to adults with serious and persistent mental illness. (CY 2009, 11,200 adults served)
Crisis Housing	Grant to nonprofit agency (sole source contract) for the provision of financial assistance to hospitalized clients needing help to pay for their housing. These funds are used only when other funds, such as SSI, are not available. (CY 2009 - 300 adults served)
Health Care Access Fund	
Adult Mental Health Crisis Grants	Adult mental health crisis grants to metro counties to build capacity for mobile crisis teams—particularly to cover costs for uninsured. Administered along state general fund crisis grant funds that are part of the Adult MH Initiative grants listed above.
Statutory Appropriations	
Federal Fund	
MH McKinney Grant F16, M133	Grants to counties and non-profit agencies for outreach and mental health services to homeless people. About \$500,000 per year of Adult MH Integrated state funds (see above) are used as match for these federal funds. (9,200 people served per year)
Federal MH Block Grant – Indian Mental Health Services F85, M167	As required by state law, 25% of the Federal MH Block Grant is used for grants to American Indian Tribes and non-profit agencies to provide mental health services, particularly community-support services, to American Indians.

HUMAN Federal and Other Funds Summary
 SERVICES DEPT.

Children's Mental Health Grants BACT #58	
Grant / Activity	Purpose / People Served
Direct Appropriations	
General Fund	
Children's Mental Health Screening Grant	Grants to county child welfare and juvenile justice agencies to pay for mental health screenings and follow-up diagnostic assessment and treatment; covers children already deeply involved in child-serving systems. (In CY 2009, 4,279 child welfare clients and 4,698 juvenile justice clients served.)
Children's Mental Health Targeted Case Management Grants	Grants to counties to offset their cost of providing MA-reimbursed mental health case management services for children. (Approx. 2,888 per year served by counties since transfer to managed care.)
CMH - Crisis Services Grants	Grants to counties in regional partnerships to build psychiatric crisis response capacity, including mobile crisis intervention and follow-up stabilization services. Part of 2007 Governor's MH Initiative. (CY 2008--820 crisis episodes; CY 2009--2,411 crisis episodes) Few were clients with repeat crises: 73% had no history of hospitalization; 70% had no history of residential treatment.

CD Non-Entitlement Grants BACT # 59	
Grant / Activity	Purpose / People Served
Direct Appropriations	
General Fund	
CD Treatment Grants	Legislatively designated for two grantees, Anoka County and the Faribault & Martin Human Services Board to treat methamphetamine abuse and the abuse of other substances. The focus audience is women with dependent children identified as substance abusers, especially those whose primary drug of choice is methamphetamine.
CD Native American Program	Provides funds to American Indian tribes, organizations, and communities to provide culturally appropriate alcohol and drug abuse primary prevention and treatment support services. Federal funds also partially support this activity. SFY2010 - 7,100 people served. Nine projects funded in FY2010 & FY2011
Statutory Appropriations	
Special Revenue Fund	
CCDTF Other Services	Reimburses providers through the Consolidated Fund for the provision of chemical dependency treatment services to persons whose income is over 100% of Federal Poverty.
Federal Fund	
CDBG Specialized Women Services SAPT Block grant F83, S232	Grants to community based providers to improve the delivery of chemical dependency treatment services to pregnant women and women with children by providing ancillary services such as safe housing, day care, parenting training, education, and social support. Fifteen grants provided in SFY2011 to counties and non-profit providers. (SFY2009, 1,600 people served.)

ATTACHMENT 2

Department of Public Safety

The Department of Public Safety considers the following programs to be critical core functions as defined by the June 29 Order:

1. Crime victim grants. 26 are for shelters and the rest serve other victims of domestic violence, sexual assault, child abuse, and other crimes.
2. Prevention and intervention grants for youth at-risk or in the juvenile justice system.
3. Gang and drug task forces.
4. Community crime prevention grants.
5. Reparations and payments to crime victims.
6. Drug courts.
7. Project Safe Neighborhood in Indian Country.
8. Treatment in jail and prison settings.