



## Minnesota Department of **Human Services**

April 28, 2015

Senator Kathy Sheran, Chair  
Health, Human Services & Housing Committee  
Suite 12 Capitol

Senator Michelle Benson, Ranking Minority Lead  
Health, Human Services & Housing  
115 State Office Building

Representative Tara Mack, Chair  
Health & Human Services Reform  
545 State Office Building

Representative Matt Dean, Chair  
Health & Human Services Finance Division  
402 State Office Building

Representative Diane Loeffler, Co-Minority Lead  
Health & Human Services Finance Division  
337 State Office Building

Senator Tony Lourey, Chair  
Health & Human Services Finance Division  
Suite 12 Capitol

Senator Julie Rosen, Ranking Minority Lead  
Health & Human Services Finance Division  
139 State Office Building

Representative Joe Mullery, Minority Lead  
Health & Human Services Reform  
303 State Office Building

Representative Tina Liebling, Minority Lead  
Health & Human Services Finance Division  
357 State Office Building

Dear Senators & Representatives:

A provision in Laws 2009, Chapter 79, Article 13, Section 3, Subdivision 10, requires the Department of Human Services to provide census data and fiscal projections for State-Operated Services and for Minnesota Sex Offender services at the time of the November and February budget forecasts. I am writing to provide the required information.

**Table 1: State Operated Services- Minnesota Security Hospital (MSH)**

<b>Date</b>	<b>MSH Census inside the secure perimeter</b>	<b>Fiscal Year Funding for MSH (dollars in thousands)</b>
June 30, 2010 (actual)	227	\$68,245
June 30, 2011 (actual)	238	\$69,269
June 30, 2012 (actual)	233	\$67,602
June 30, 2013 (actual)	211	\$70,483
June 30, 2014 (actual)	205	\$77,523
June 30, 2015 (projected)	212	* \$83,943
June 30, 2016 (projected)	214	* \$83,707
June 30, 2017 (projected)	214	* \$83,707

\*Projected costs for the program are estimated to exceed the annual base level appropriation of \$74,402,000 due to 2014 unfunded salary increases and requirements related to the conditional license correction plan.

The appropriation listed in Table 1 provides funding for the secure, special needs, transition, and nursing home beds. The Minnesota Security Hospital (MSH) operates on a fixed legislative appropriation. There is authority to transfer funding between fiscal years in a biennium and any unspent appropriations cancel at the end of the biennium.

As of June 30, 2014, 205 individuals were served within the secure perimeter of the Minnesota Security Hospital (MSH). This census is four patients below the February 2014 forecast. This reduction is likely due to the efforts to increase 2014 discharges and limiting admissions to only mentally ill and dangerous (MI&D) patients. The February forecast recognizes this base reduction and continues to project the same relative growth.

The projected appropriations for fiscal years 2014 through 2017 above are higher than the current base appropriation for fiscal year 2013.

**Table 2: Minnesota Sex Offender Program (MSOP)**

<b>Date</b>	<b>MSOP Census</b>	<b>Fiscal Year Funding for MSOP (dollars in thousands)</b>	<b>Per Diem</b>
June 30, 2010 (actual)	575	\$64,843	\$328
June 30, 2011 (actual)	625	\$67,503	\$328
June 30, 2012 (actual)	653	\$70,416	\$317
June 30, 2013 (actual)	690	\$73,412	\$326
June 30, 2014 (actual)	697	\$76,769	\$318
June 30, 2015 (projected)	720	\$80,922	\$341
June 30, 2016 (projected)	757	\$79,745	TBD
June 30, 2017 (projected)	790	\$79,745	TBD

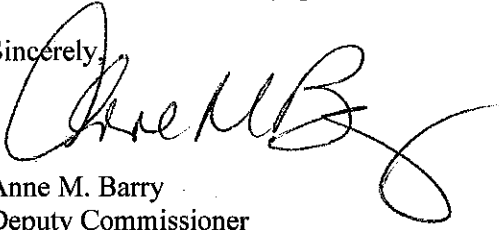
Table 2 shows the actual population census and population projections for the Minnesota Sex Offender Program (MSOP) under current law. MSOP operates on a fixed legislative appropriation. There is authority to transfer funding between fiscal years in a biennium and any unspent appropriations cancel at the end of the biennium. The appropriations for fiscal years 2016 and 2017 equal the current base appropriation for fiscal year 2015 and do not include increased costs for client population growth.

In the November 2014 forecast, we pointed out the slower growth in the MSOP census over the past two years. Potential explanations are the increase in county share and a change in behavior within the courts which resulted in fewer individuals being referred for civil commitment. Based on actual MSOP census over the last few months, this trend appears to be continuing, however, this represents less than a one percent reduction in the base, which is not enough to warrant an adjustment to the forecasted long-term growth trend. As in November, the growth trend is expected to accelerate in early 2015 due to an increase in the projected growth of the Department of Corrections (DOC) sex offender releases.

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Please contact Shelia Brandt, Legislative Liaison, for the Direct Care & Treatment Administration (DCT) at 651-431-5877 if you have any questions or need further information.

Sincerely,

A handwritten signature in black ink, appearing to read "Anne M. Barry". The signature is fluid and cursive, with a large loop at the end.

Anne M. Barry  
Deputy Commissioner  
Direct Care & Treatment

cc: Dennis Albrecht, Senate Counsel Research & Fiscal Analysis  
Doug Berg, House Fiscal Analysis  
Ahna Minge, Minnesota Management & Budget  
Shelia Brandt, DHS  
Jayne Rankin, DHS