



February 8, 2021

Sen. Michelle Benson
3109 Minnesota Senate Building
St. Paul, MN 55155

Rep. Tina Liebling
477 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Sen. Melissa Wiklund
2227 Minnesota Senate Building
St. Paul, MN 55155

Rep. Joe Schomacker
209 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Sen. Jim Abeler
3215 Minnesota Senate Building
St. Paul, MN 55155

Rep. Jennifer Schultz
473 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Sen. John Hoffman
2235 Minnesota Senate Building
St. Paul, MN 55155

Rep. Tony Albright
259 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Dear Chairs and Leads of the Health and Human Services Committees,

A provision in Laws 2009, Chapter 79, Article 13, Section 3, Subdivision 10 requires the Department of Human Services' Direct Care and Treatment (DCT) Administration to provide census data and fiscal projections for the Forensic Services (formally known as the Minnesota Security Hospital) and the Minnesota Sex Offender Program at the time of the November and February budget forecasts. Accordingly, I am writing to provide the required information.

The information contained below was prepared in response to the November budget forecast.

The Forensic Services operates on a fixed legislative appropriation. The appropriation listed in Table 1 (below) provides funding for the entire Forensic Services, including secure beds (mental health), non-secure beds (transitions), and nursing home beds. However, the forecasted population growth is based on the secure Forensic Mental Health beds only.

Table 1: Forensic Services

Date	Total Census	Fiscal Year Appropriations (dollars in thousands)	Fiscal Year Expenditures (dollars in thousands)
June 30, 2020 (actual)	241	\$110,803	\$111,980
June 30, 2021 (projected)	275	\$115,042	\$118,237

June 30, 2022 (projected)	276	\$115,644	\$121,039
June 30, 2023 (projected)	276	\$115,644	\$122,206
June 30, 2024 (projected)	277	\$115,644	\$122,206
June 30, 2025 (projected)	278	\$115,644	\$122,206

The Forensic Mental Health census is expected to increase over FY2021. New construction has allowed the program to shift treatment units around to increase available secure mental health beds. The Forensic Mental Health Program continually operates at nearly 90% capacity and maintains a waitlist for admission.

Table 2 (below) provides the actual census and projections for the Minnesota Sex Offender Program (MSOP). Like Forensic Services, MSOP operates on a fixed legislative appropriation. The appropriations listed include funding for the entire sex offender program, including funding to supervise clients living in the community who have been provisionally discharged from MSOP (30 as of December 31, 2020). However, the forecasted population growth is for the secure treatment beds at Moose Lake and St. Peter and Community Preparation Services (CPS) at St. Peter.

DCT has authority to transfer funding between Budget Activities as well as between fiscal years in a biennium and unspent appropriations cancel at the end of a biennium. During FY2020, DCT moved one-time savings within MSOP to offset budget shortfalls within other areas of DCT

Table 2: Minnesota Sex Offender Program (MSOP)

Date	Total Census	Fiscal Year Appropriations (dollars in thousands)	Fiscal Year Expenditures (dollars in thousands)
June 30, 2020 (actual)	742	\$94,474	\$91,578
June 30, 2021 (projected)	734	\$95,741	\$95,678
June 30, 2022 (projected)	739	\$96,285	\$98,833

June 30, 2023 (projected)	745	\$96,285	\$99,917
June 30, 2024 (projected)	756	\$96,285	\$99,917
June 30, 2025 (projected)	765	\$96,285	\$99,917

MSOP census has been impacted by the COVID pandemic. Although census hit a peak in May 2020 at 743 clients, it has dropped to 737 as of December 31, 2020. Department of Correction Sex Offender releases and MSOP discharges all remain down. However, the census is expected to incrementally increase over the next 4 years and expected to reach 765 by June 2025.

Direct Care and Treatment received Federal COVID Relief Funding in FY2020 and FY2021 to off-set budget shortfall across DCT for the FY20-21 biennium – some of which was used within Forensic Services and MSOP. DCT is asking for your support for the additional funding needed to balance the projected budget shortfalls in FY22 and beyond for DCT to maintain current programs and services.

Please contact Carrie Briones, Legislative Director for Direct Care and Treatment, at 651.431.3783 if you have any questions, or need further information, about the information in this letter.

Sincerely,



Marshall E. Smith, MHA, FACHE

Health Systems Chief Executive Officer
Direct Care and Treatment

cc: Dennis Albrecht, Senate Counsel Research and Fiscal Analysis
Doug Berg, House Fiscal Analysis
Josh Reisen, Minnesota Management and Budget
Lynn Glancey, Department of Human Services
Dave Greeman, Department of Human Services
Matt Burdick, Department of Human Services