

1990-91
PROPOSED
BIENNIAL
BUDGET

HUMAN RESOURCES

PRESENTED BY
GOVERNOR RUDY PERPICH TO THE 76TH LEGISLATURE
STATE OF MINNESOTA

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-INDEX-

	<u>SECTION</u>
CORRECTIONS, DEPARTMENT OF	5
HAZARDOUS SUBSTANCE INJURY COMPENSATION BOARD	9
HEALTH, DEPARTMENT OF	8
<u>HEALTH BOARDS</u>	11
- CHIROPRACTIC EXAMINERS, BOARD OF	
- DENTISTRY, BOARD	
- MARRIAGE AND FAMILY THERAPY, BOARD OF	
- NURSING, BOARD OF	
- NURSING HOME ADMINISTRATORS, BOARD OF	
- OFFICE OF SOCIAL WORK AND MENTAL HEALTH BOARDS	
- OPTOMETRY, BOARD OF	
- PHARMACY, BOARD OF	
- PODIATRY, BOARD OF	
- PSYCHOLOGY, BOARD OF	
- SOCIAL WORK, BOARD OF	
- UNLICENSED MENTAL HEALTH SERVICE PROVIDERS, BOARD OF	
- VETERINARY MEDICINE, BOARD OF	
HUMAN SERVICES, DEPARTMENT OF	1
INSTITUTE FOR ADDICTION AND STRESS RESEARCH	10
JOBS AND TRAINING, DEPARTMENT OF	4
OMBUDSMAN FOR CORRECTIONS	7
OMBUDSMAN FOR MENTAL HEALTH AND MENTAL RETARDATION	2
SENTENCING GUIDELINES COMMISSION	6
VETERANS AFFAIRS, DEPARTMENT OF	3
- VETERANS NURSING HOMES	

1990-91 BIENNIAL BUDGET
PROGRAM STRUCTURE

AGENCY: HUMAN SERVICES, DEPARTMENT OF

<u>PROGRAMS</u>	<u>ACTIVITIES</u>	<u>SECTION</u> 1	<u>PAGE</u>
	Executive Office		16
	Council on Families		21
	Financial Management		23
	County Aids		26
HUMAN SERVICE ADMINISTRATION-----	Federal Administrative Reimbursement		31
	Systems Management		33
	Management Services		37
	Personnel		41
	Reimbursement Division		45
	Appeals and Contract		53
LEGAL AND INTERGOVERNMENTAL-----	Rules and Bulletins		56
	Legislation and Policy Coordination		58
	Community Service Evaluation		62
	Licensing		65
	Social Services Administration		74
	Community Social Service Grants		79
	Childrens Services Administration		81
	Childrens Services Grants		86
	Developmental Disabilities Administration		99
	SILS		103
	Family Subsidy		106
	Aging Administration		108
SOCIAL SERVICES-----	Aging Ombudsman		112
	Area Aging Services Grants		115
	Foster Grandparent Grants		117
	Retired Senior Volunteer Grants		119
	Senior Companion Grants		122
	Hearing Impaired Services		124
	Chemical Dependency Administration		126
	American Indian CD Grants		128
	CD Special Grants		130
	CD Block Grant Federal		133
	CD Consolidated Treatment		136
	Mental Health Administration		141
MENTAL HEALTH-----	State Mental Health Grants		145
	Federal Mental Health Grants		152
	Assistance Payments Administration		160
	Quality Control/Corrective Action		170
	Employment and Training		174
	Refugee and Immigrant Assistance		182
	Child Support Enforcement		188
FAMILY SUPPORT-----	Reports and Analyses		196
	Statewide Automated Eligibility -- MAXIS		198
	AFDC Grants		202
	GA Grants		211
	Work Readiness Grants		219
	MSA Grants		223

PROGRAMS

ACTIVITIES

SECTION
1

PAGE

HEALTH CARE-----

Health Care Management	237
MA Grants	255
MA Demo Projects	273
GAMC Grants	275
PAS - Alternative Care Grants	283
Childrens Health Plan	286
Health Care Support	291
Health Care Collections	297
Long Term Care Management	302
Audits	311
Provider Appeals	315

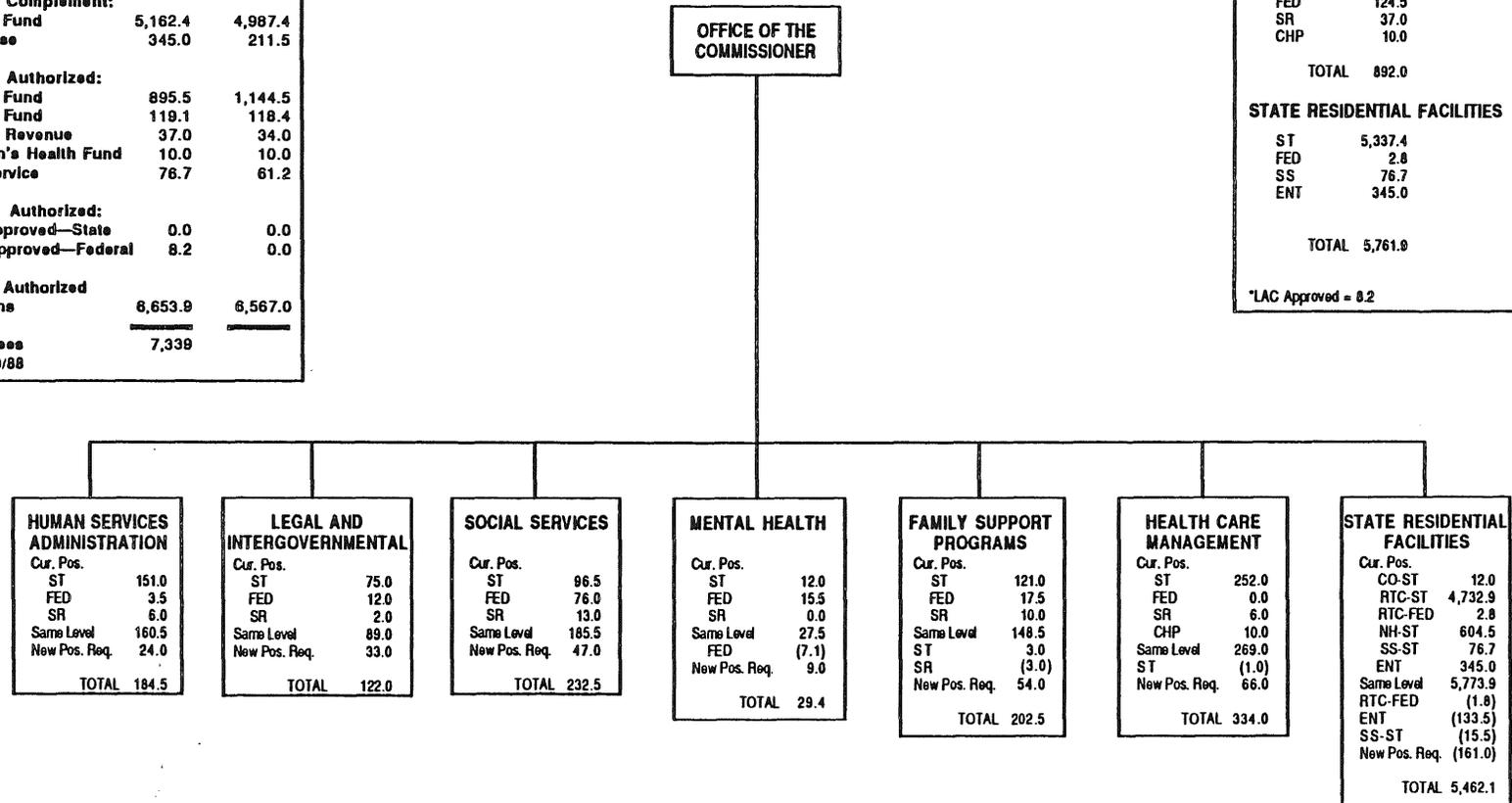
STATE RESIDENTIAL FACILITIES-----

RTC Systemwide	322
Residential Facilities Management	348
Anoka Metro RTC	354
Brainerd RHSC	356
Cambridge RHSC	358
Faribault RC	360
Fergus Falls RTC	362
Moose Lake RTC	364
St. Peter RTC	366
Security Hospital	368
Willmar RTC	371
Rochester State Hospital	374
SNH Systemwide	376
Ah-Gwah-Ching Nursing Home	382
Oak Terrace Nursing Home	384

DEPARTMENT OF HUMAN SERVICES ORGANIZATION CHART 7-1-88

Position Reconciliation		
Authority:	Current FY 89	Requested For 6/30/91
Legislative Complement:		
General Fund	5,162.4	4,987.4
Enterprise	345.0	211.5
Legislative Authorized:		
General Fund	895.5	1,144.5
Federal Fund	119.1	118.4
Special Revenue	37.0	34.0
Children's Health Fund	10.0	10.0
Shared Service	76.7	61.2
Budgetary Authorized:		
LAC Approved—State	0.0	0.0
LAC Approved—Federal	8.2	0.0
TOTAL Authorized Positions	6,653.9	6,567.0
Employees on 6/30/88	7,339	

SUMMARY - F.Y. 1989	
CENTRAL OFFICE	
ST	720.5
FED	124.5*
SR	37.0
CHP	10.0
TOTAL	892.0
STATE RESIDENTIAL FACILITIES	
ST	5,337.4
FED	2.8
SS	76.7
ENT	345.0
TOTAL	5,761.9
*LAC Approved = 8.2	



ABBREVIATIONS:		
ST = State	CO = Central Office	Cur. Pos. = Current Positions
FED = Federal	SS = Shared Service	RTC = Residential Treatment Centers
SR = Special Revenue	ENT = Enterprise	NH = Nursing Home
CHP = Children's Health Plan	LAC = Legislative Advisory Commission	

AGENCY PURPOSE:

Minnesota law directs the Department of Human Services (DHS) to help people meet their basic human needs. In its commitment to fulfill that duty, DHS strives to facilitate individual responsibility, maximize funding resources, and demand quality performance.

DHS works in partnership with the federal government, county governments, and other agencies throughout Minnesota to help people become self-sufficient. In that effort, the department seeks to advance the dignity, safety, and rights of the individual.

The need to integrate complex programs that have overlapping responsibilities and goals guides policy development and decision-making throughout the department. Therefore, DHS strives for effective communication, coordination, and uniformity in the delivery of its services.

DHS also works to assure public accountability and trust through responsible use of available resources. It proceeds under the assumptions that consolidation of resources and personnel creates innovative, cost-effective programs which serve the public good and that quality performance by providers, contractors, and agency employees is imperative to achieving the departmental purpose.

OPERATIONS AND CLIENTELE:

DHS develops and supervises a broad range of services and programs which are administered under 26 separate divisions in its central office, through social service offices in each of Minnesota's 87 counties, and through 8 regional treatment centers and 2 nursing homes.

DHS provides direct services to the aged, deaf, and hearing impaired. Under the supervision of DHS, the counties administer medical care, social services, and financial assistance to the poor, aged, abused, disabled, and other vulnerable citizens. DHS also provides direct services to the elderly and persons with developmental disabilities, chemical dependency, or mental illness through its regional treatment centers and nursing homes.

In any one year, approximately 500,000 Minnesotans (or 12% of the total population) benefit from one or more of the department's programs.

ATTORNEY GENERAL COSTS:

	(Dollars in Thousands)			
	ACTUAL F.Y. 1988	ACT./EST. F.Y. 1989	AGENCY REQUEST F.Y. 1990 F.Y.1991	
<u>FEEES FOR LEGAL SERVICES RENDERED:</u>				
Fees Assessed:				
Central Office	\$ 888	\$ 932	\$ xxx	\$ xxx
State Institutions	132	139	xxx	xxx
Total	\$ 1,020	\$ 1,071	xxx	xxx
Fee Paid:				
Central Office	420	441	xxx	xxx
State Institutions	66	69	xxx	xxx
Total	\$ 486	\$ 510	xxx	xxx
Requested Budget			536	563

EXPLANATION OF BUDGET REQUEST:

Of the change requests contained in the budget document, approximately 80% represent funding requests for major new initiatives. Generally, these initiatives are designed to better enable the department to fulfill legislative mandates, improve its services to clients and update its communication and information processing capabilities. Each initiative is summarized below.

COUNTY-STATE RELATIONS INITIATIVE:

The delivery of human services in Minnesota essentially relies on a partnership between the state and county agencies. The Community Social Services Act of 1979 reinforced the existing state supervised, county administered system. Under that act, and in its role as supervisor, the department has an obligation to ensure that the county agencies have a complete understanding of the rules and laws under which they operate and that county staff have the skills necessary to implement the laws and rules and to deliver the services necessary to address the needs of their clientele.

Because this system has undergone significant change in the past decade, the department must reassess and clarify roles for both state and county; implement the department's policy regarding training; provide additional and ongoing training and support for Child Protection Services workers, county workers, and social services personnel; monitor county compliance with federal and state laws; and develop enforcement mechanisms for county failure to meet standards.

INFORMATION SYSTEMS INITIATIVE:

The department must make certain that clients receive the assistance to which they are entitled, that rules and laws are applied fairly and consistently, that county compliance with performance standards are monitored, and that financial participation in federal programs is maximized. To properly perform these duties, the department must rely on accurate and efficient processing of information. However, the department's information systems are either inadequate or obsolete. Current system operational capabilities cannot meet federal or state requirements for determining eligibility for various programs. This creates inequitable application of program policies, quality control errors, uneven client services, and administrative inefficiencies.

DHS, therefore, proposes to redesign the Medicaid Management Information System and to automate the Medical Assistance (MA) and the General Assistance Medical Care (GAMC) programs. This will be coordinated with the development of a statewide data base for Aid to Families with Dependent Children (AFDC), the Food Stamp Program, and the child Support Enforcement System and establishment of a master file for child support case handling. The effort will also integrate departmental systems with other state agencies.

MENTAL HEALTH INITIATIVE:

In 1987, the Legislature passed the Mental Health Act which requires DHS to develop and implement a comprehensive and unified mental health system for Minnesota. To help meet that mandate, this initiative requests resources to improve the department's supervision and technical assistance efforts for the mental health system; develop rules to enforce the Mental Health Act and

Licensing Act; implement a Mental Health Information System; enhance community services for adults with serious and persistent mental illness; and identify and address gaps in Minnesota's mental health system.

CHILDREN'S INITIATIVE:

Even though, when compared to other states, Minnesota has done well in providing for the needs of its children, much more should be done to make sure that children have the best possible start in life. Therefore, DHS proposes to implement a set of interrelated programs to help Minnesota's children meet the challenges of becoming healthy, independent, and productive adults. While these proposals focus on the needs of children, they do so within a context that attempts to nurture and support the family unit. The Children's Initiative addresses 7 major needs of children: health, mental health, family support, child protection, permanent families, child care, and independent living skills.

REGIONAL TREATMENT CENTERS/NURSING HOMES QUALITY IMPROVEMENT INITIATIVE:

The department lacks a statewide management information system and standardized statistical reporting system for the state-operated regional treatment centers and nursing homes. In order to continue improving direct care and, therefore, the quality of life for residents of the regional treatment centers and the state nursing homes, the department proposes to implement expanded quality assurance monitoring and a statewide information system to improve facility operation management. Proposed changes in staffing patterns, dietary service, medical service, and sanitation are designed to improve the direct care of residents.

QUALITY ASSURANCE INITIATIVE:

As the types of services available to vulnerable persons have increased, some gaps in the standard setting system have developed. A major focus of the department's quality assurance efforts in the coming biennium will be to intensify standard setting for and monitoring of licensed facilities. The department proposes to survey and reassess all categories of licenses, set standards for training curricula for staff in licensed programs, and require all licensed programs to develop a quality assurance plan.

Further, the department proposes to conduct annual program reviews in all counties; develop information systems to feed back monitoring data to DHS; and establish sanctions for failure to comply with rules governing county administration and delivery of human services. The department will establish a system that focuses licensing review time on programs and services that fail to meet minimum standards; create a system of independent reviews conducted by consumers and other interested parties; and use monitoring to evaluate the effectiveness of licensing.

MEDICAL ASSISTANCE INITIATIVE:

DHS will strengthen MA/GAMC program administration by improving health care services for low-income persons, the cost-effectiveness of programs, and general compliance with program standards.

To meet those goals, DHS proposes to review and restructure the MA/GAMC reimbursement system to ensure consistency, equity and accountability of payments; resolve long-term care appeals in a timely manner; develop innovative mechanisms to address cost and oversight issues for managing the health care needs of overutilizers and underutilizers of health care services; limit the state's vulnerability to federal audits; and comply with federal legislative changes resulting from the passage of the 1987 Omnibus Budget Reconciliation Act (OBRA) and 1988 Medicare Catastrophic legislation. OBRA mandated comprehensive reform in nursing home standards, staffing, operations, and survey requirements; and the Medicare Catastrophic legislation mandated changes to the MA program and Medicare program that affect MA/GAMC recipient eligibility and service coverage.

Further, DHS proposes to restructure the intermediate care facility /mental retardation (ICF/MR) and day habilitation and training rate setting mechanism to target ICF/MR rates to serve persons with greater service needs; provide administrative case management to special populations; and increase cost effectiveness through increased MA/GAMC recoveries through Surveillance and Utilization Review and Benefit Recovery efforts.

REFUGEES INITIATIVE:

As refugees adjust to living in Minnesota, new needs for services have been identified. DHS proposes to modify and improve existing mental health services to better meet their needs; improve their employability by providing bilingual/bicultural case managers to PATHS-eligible refugees; ensure adequate provision of child welfare services to refugee children; increase the literacy and English language levels of refugee adults; and explore the feasibility of a refugee Medicaid demonstration project.

WELFARE REFORM INITIATIVE:

While the average length of participation on welfare is less than 2 years, some aspects of the current welfare system tend to encourage long-term dependency by some recipients. This can be reduced by improving the employability of heads of households on AFDC and by providing assistance during their transition from public assistance to total self-sufficiency. DHS proposes to refine and re-fund PATHS programs so AFDC dependency is reduced. The department proposes to guarantee 1 year of child care subsidy for PATHS participants who leave AFDC for employment; continue funding PATHS case managers and employment and training services on an annual basis; authorize an employment and training revolving fund; and continue funding for long-term AFDC dependency reduction projects like the self-employment demonstration project and a work incentive housing subsidy.

AGENCY: HUMAN SERVICES, DEPARTMENT OF
(Continuation)

1990-91 Biennial Budget

INDEX	(Dollars in Thousands)		Page
	Agency Request 1990-91 Biennium All Funds	Governor's Recommendation 1990-91 Biennium All Funds	
Agency-Wide CHANGE Requests:			
Attorney General and Related Costs	\$ 1,099	\$ -0-	12
Human Services Administration CHANGE Request:			
AIDS Policy Development Coordination	98	-0-	18
Public Information/Communication	173	-0-	19
Internal Audits to Increase Program Integrity and Save Funds	392	302	20
Accounts Payable and Equipment Inventory Processing	167	83	25
Red Lake Band of Chippewa Indians-Statutory Funding	583	-0-	29
Elimination of County Equalization Aid	-0-	(1,500)	30
Telecommunications Management and Interagency Planning	910	-0-	35
Automate Administrative Operations	5,310	-0-	36
Telephone Specialist and Graphics Specialist	173	-0-	39
Adapting Office Space for Disabled and Non-Disabled Employees	200	-0-	40
Affirmative Action Clerical Staff	63	-0-	44
RTC Per Service Charges	102 (100)	102 (100)	47
Service and Revenue Recovery Project	155 (175)	155 (175)	48

INDEX	(Dollars in Thousands)		Page
	Agency Request 1990-91 Biennium All Funds	Governor's Recommendation 1990-91 Biennium All Funds	
Legal & Intergovernmental CHANGE Requests:			
Appeals Support Staff and Transcripts	\$ 112	\$ 112	55
Federal Liaison	130	-0-	60
Quality Assurance Initiative	459	-0-	61
Community Service Evaluation Staff: County Monitoring	696	287	64
Applicant Background Study Staff	200	-0-	67
Increased Licensing Staff	605	455	68
Social Services CHANGE Requests:			
Social Services Information System Planning	2,600	-0-	77
Epilepsy Independent Living Grants	-0-	400	78
Title IV-E Reimbursement Project	239	239	85
Child Protection Training, Technical Assistance and Chronic Neglect Grants	950	950	90
Permanency Planning: Minority Families	2,800	2,800	91
Minority Parents and Substitute Care	370	370	92
Child Care Service Development and Resource and Referral	2,600	2,600	93
Subsidized Adoptions and Post Adoption Services	750	750	94
Adolescent Parents	400	-0-	95
Homeless Adolescents	500	500	96
Child Care Fund	13,490	11,945	97

AGENCY: HUMAN SERVICES, DEPARTMENT OF
(Continuation)

1990-91 Biennial Budget

INDEX	(Dollars in Thousands)		Page
	Agency Request	Governor's	
	1990-91 Biennium	Recommendation	
	All Funds	All Funds	
Child Care Fund Transfer To HECB	\$ -0-	\$ (2,080)	98
Developmental Disabilities Adult Guardianship	174	174	102
SILS Grants Increase	1,653 238	1,653 238	105
Alzheimers/Dementia Program Initiative	100	-0-	111
Acute Care and In-Home Aging Ombudsman Expansion	614	-0-	114
Children and Women's Services	276	276	132
Transfer from MA for ICF-CD Programs	588 (588)	588 (588)	138
Mental Health CHANGE Requests:			
Children's Mental Health Initiative	1,325	1,325	143
Implement Mental Health Act	586	586	144
Enhance Community Support Services for Adults with Serious and Persistent Mental Illness	3,546	5,186	148
Therapeutic Foster Care Pilot Projects for Children with Severe Emotional Disturbance	700	700	150
Nursing Home Reform Act: Mental Health Assessments and Alternative Placements	3,011 (1,280)	3,011 (1,280)	151
Family Support CHANGE Requests:			
Minnesota Family Investment Plan Staff	357	357	164
GA/SSI Conversion Project	80 (1,942) (2,470) 1,049	80 (1,942) (2,470) 1,049	165

INDEX	(Dollars in Thousands)		Page
	Agency Request	Governor's	
	1990-91 Biennium	Recommendation	
	All Funds	All Funds	
Revision of the GA/MSA Residential Rate Setting Process	\$ 372	\$ 372	166
Jointing Forces Pilot Project-- Improve Access to School	200	700	167
Food Stamp Outreach	300	-0-	168
Eligibility Verification Investigations	218 (408)	218 (408)	169
Food Stamp and AFDC Sanctions	2,785	-0-	173
Food Stamp Employment and Training Program Expansion	3,000	3,000	177
Increase the BASE Level Funding for PATHS Case Management and Employment and Training Services	10,000	6,220	178
Continued Funding for Self- Employment Investment Demonstra- tion Projects	500	500	179
Work Incentive Subsidized Housing--Eliminate	(278)	(278)	180
Increase Work Readiness Services Funding	600	-0-	181
Refugee and Immigrant Social Adjustment/Mental Health	600	600	185
Bi-Cultural Employment Service Case Managers	1,400	700	186
Child Welfare For Asian Youth	234	234	187
Child Support Incentives	2,656	2,600	191
Child Support Worker's Compensation Matches	126 (512)	126 (512)	192
Expansion of Administrative Process for Child Support Obligations	85 (803)	85 (803)	193

AGENCY: HUMAN SERVICES, DEPARTMENT OF
(Continuation)

1990-91 Biennial Budget

INDEX	(Dollars in Thousands)			Page	INDEX	(Dollars in Thousands)			Page
	Agency Request 1990-91 Biennium All Funds	Governor's Recommendation 1990-91 Biennium All Funds				Agency Request 1990-91 Biennium All Funds	Governor's Recommendation 1990-91 Biennium All Funds		
Implementation of Federally Required Automatic Income Withholding Provisions	\$ 200	\$ 200		194	Disability Determinations for Medical Assistance: State Medical Review Team	\$ 89	\$ -0-		242
Child Support Enforcement System Administration/Maintenance	826	826		195	MA Eligibility options: 209B Study	70	-0-		243
MAXIS Development and Implementation	7,677	7,677		200	Review of MA Prepayment Plans	400	400		244
MAXIS System Operations - Payment of Non-Federal Share	11,126	3,623		201	MA/GAMC Reimbursement for Non-Institutional Care	260 6,634 2,480	260 -0- -0-		245
Simplify and Increase Aid to Families with Dependent Children Grants	16,327 2,015 1,706	-0- -0- -0-		207	MA/GAMC Provider Coordination	89	-0-		247
AFDC Housing Supplement	9,827	-0-		208	MA/GAMC Provider Manual and Drug Formulary	100	-0-		248
Paternity Adjudications - Impact on AFDC	(220)	(220)		209	Phone-In System for Prior Authorization	295	-0-		249
Reinstatement of Administrative Judgment of Child Support and Maintenance Arrears--Impact on AFDC	(825)	(825)		210	Language Interpreters to Improve Access and Appropriate Use of Health Services	410	410		250
Increase General Assistance and Work Readiness Grants	4,553 713	-0- -0-		217	Managed Care for Very High Frequency MA and GAMC Utilizers	1,058 (1,062)	82 -0-		251
Reduction of General Assistance BASE Level Funding Due to Eligibil- ity Changes for Functionally Illiterate	(1,145) 860	-0- -0-		218	Medicare Legislation: MA Services in School Districts	200	100		253
Minnesota Supplemental Aid Reform and Simplification	514	514		228	Case Management for Persons with AIDS	1,000	1,000		254
Payment for Reserve Bed Days - MSA & GA	980 152	-0- -0-		229	Eligibility Asset Limit Changes -- Federal Compliance	3,205	3,054		263
Exempting IMD Facilities from the Current Rate Cap	5,131	3,500		230	Eligibility Asset Limit Changes-- Children	130	130		264
Health Care CHANGE Requests:					Case Management of Brain Injured: Program Savings	(858)	(858)		265
Health Care for the Uninsured	5,700	-0-		241	Medicare Certification in Skilled Nursing Facilities	(606)	(606)		266
					Nursing Home Pension Pass-Through Deletion	(400)	(400)		267

AGENCY: HUMAN SERVICES, DEPARTMENT OF
(Continuation)

1990-91 Biennial Budget

INDEX	(Dollars in Thousands)		Page
	Agency Request	Governor's	
	1990-91 Biennium All Funds	1990-91 Biennium All Funds	
Nursing Home Reform Act: Nursing Home Rate Adjustments	\$ 1,600	\$ 1,200	268
Delay Implementation of Day Training and Habilitation Reimbursement System	(151)	(151)	269
Cast Metal Dental Restorations	334	-0-	270
MA Coverage of Children's Mental Health Services	1,548	1,500	271
Modification to the Hospital Reimbursement System	1,595	(1,759)	272
Transfer from MA to GAMC to Comply with Federal IMD Law	3,283	3,283	281
Modification to the Hospital Reimbursement System	675	(675)	282
Alternative Care Grant Forecast	6,425	2,500	285
Eligibility Under the Children's Health Plan	7,336	3,500	289
Transfer BASE of CHP to Gen. Fund from Public Health Fund	-0- -0-	9,079 (9,079)	290
Medicaid Management Information System Redesign	711	711	294
Long Term Care (LTC) System Maintenance and Staff	300	300	295
Medicaid Management Information System Maintenance	-0-	-0-	296
Increased MA/GAMC Recoveries Through Surveillance and Utiliza- tion Review Systems (SURS)	155	155	300
Increase MA/GAMC Recoveries Through Third-Party Liability Efforts	206	206	301
Nursing Home Reform Act Nursing Assistant Training	1,601	1,707	306

INDEX	(Dollars in Thousands)		Page
	Agency Request	Governor's	
	1990-91 Biennium All Funds	1990-91 Biennium All Funds	
Staff Increase ICF/MR and Day Training and Habilitation Client-Based System	\$ 144	\$ 72	307
Survey and Certification Contract	603	603	308
Case Management for Non-Waiver Home Care Services	1,820	858	309
Restructuring of Rate Setting System for Intermediate Care Facilities for the Mentally Retarded	211	105	313
Modification to the Hospital Reimbursement System and the Utilization Review Contract	918	918	314
Provider Appeals Staff	577	577	317
State Residential Facilities CHANGE Requests:			
Enhanced Nutritional Content of Meals and Increased Menu Variety	1,035 (685)	1,035 (685)	325
Implementation of Universal Precautions for Infection Control	750 (501)	750 (501)	326
Disposable Briefs for Incontinent Residents and Patients	1,950 (338) (1,065)	1,950 (338) (1,065)	327
Funding for Sales Tax Payments and Regulatory Fees	500 (334)	-0- -0-	328
RTC Negotiations: Case Management	4,866	4,866	329
RTC Negotiations: SILS Increase	580	580	330
RTC Negotiations: Family Subsidy Program Grants Increase	198	198	331
RTC Negotiations: Staff Training	1,416	1,416	332

AGENCY: HUMAN SERVICES, DEPARTMENT OF
(Continuation)

1990-91 Biennial Budget

INDEX	(Dollars in Thousands)			Page
	Agency Request	Governor's		
	1990-91 Biennium	1990-91 Biennium		
	All Funds	All Funds		
RTC Negotiations: Quality of Community Care	\$ 387	\$ 387		334
	180	180		
	1,406	1,156		
RTC Negotiations: Community Groups	245	245		335
RTC Negotiations: Office of the Ombudsman for Mental Health and Mental Retardation	308	308		336
RTC Negotiations: Department of Health Licensure and ICF/MR Certification	154	154		337
RTC Negotiations: Target Waiver for Persons with Developmental Disabilities	128	128		338
	43	43		
RTC Negotiations: Metropolitan Facility/SOCS Planning	670	-0-		339
RTC Negotiations: Personnel Mitigation	3,207	3,207		340
RTC Negotiations: Community Treatment Service	(7,429)	(7,429)		341
	7,433	7,433		
	2,300	2,300		
	(4,887)	(4,887)		
	3,240	3,240		
	11,071	11,071		
	(7,779)	(7,779)		
	159	159		
	175	175		
	2,320	2,320		
RTC Negotiations: Developmental Disabilities Program Management	774	774		343
RTC Negotiations: Rate Setting/Auditing	597	382		344
	86	43		
RTC Negotiations: Social Service Appeals	192	192		345
RTC Negotiations: Licensing of New Community Facilities and Programs	550	451		346
RTC Negotiations: Reduction of Oak Terrace Nursing Home	(3,433)	(3,433)		347
	3,124	3,124		

INDEX	(Dollars in Thousands)			Page
	Agency Request	Governor's		
	1990-91 Biennium	1990-91 Biennium		
	All Funds	All Funds		
Support Quality Improvement Activities	\$ 761	\$ 761		351
	(445)	(445)		
Automation for Improved Quality	6,264	-0-		352
	(897)	-0-		
Improve Services at MSH	3,685	2,700		370
Enhanced Nutritional Content of Meals and Increased Menu Variety	96	96		378
	(64)	(64)		
Implementation of Universal Precautions for Infection Control	350	350		379
	(236)	(236)		
Disposable Briefs for Incontinent Patients	860	860		380
	(122)	(122)		
	(660)	(660)		
Funding for Sales Tax Payments and Regulatory Fees	144	-0-		381
	(130)	-0-		
CHANGE Requests Net Total	\$ 207,844	\$ 100,359		

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1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT

PROGRAM EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
HUMAN SERVICES ADMINISTRATION	114,460	124,418	126,068	5,674	131,742	126,739	125,019	4,402	129,421	125,240
LEGAL AND INTERGOVERNMENTAL	3,682	4,042	4,160	2,030	6,190	5,009	4,160	2,400	6,560	5,195
SOCIAL SERVICES	178,199	225,323	219,382	16,701	236,083	233,159	220,809	19,715	240,524	236,259
MENTAL HEALTH	17,791	23,065	21,306	2,327	23,633	24,174	21,090	6,841	27,931	29,030
FAMILY SUPPORT	336,503	367,706	362,444	32,830	395,274	376,076	366,450	43,717	410,167	380,243
HEALTH CARE	1,313,720	1,419,252	1,506,991	16,252	1,523,243	1,512,406	1,608,112	33,707	1,641,819	1,620,135
STATE RESIDENTIAL FACILITIES	207,502	211,810	222,517	13,059	235,576	230,157	220,613	8,189	228,802	225,658
TOTAL EXPENDITURES	2,171,857	2,375,616	2,462,868	88,873	2,551,741	2,507,720	2,566,253	118,971	2,685,224	2,621,760
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	882,391	972,059	1,076,488	88,873	1,165,361	1,125,503	1,131,373	118,971	1,250,344	1,191,796
PUBLIC HEALTH	112	1,980	4,163	0	4,163	0	4,916	0	4,916	0
STATUTORY APPROPRIATIONS:										
GENERAL	226,129	229,868	224,812	0	224,812	224,812	229,457	0	229,457	229,457
SPECIAL REVENUE	24,552	52,689	29,583	0	29,583	29,583	21,528	0	21,528	21,528
FEDERAL	1,005,198	1,074,918	1,084,499	0	1,084,499	1,084,499	1,135,656	0	1,135,656	1,135,656
AGENCY	25,372	30,469	30,354	0	30,354	30,354	30,354	0	30,354	30,354
GIFTS AND DEPOSITS	94	94	60	0	60	60	60	0	60	60
ENDOWMENT	1	0	0	0	0	0	0	0	0	0
ENTERPRISE	8,008	13,539	12,909	0	12,909	12,909	12,909	0	12,909	12,909
TOTAL FINANCING	2,171,857	2,375,616	2,462,868	88,873	2,551,741	2,507,720	2,566,253	118,971	2,685,224	2,621,760
POSITIONS BY FUND:										
GENERAL	6,067.4	6,134.6	6,121.1	204.0	6,325.1	6,274.6	6,121.1	72.0	6,193.1	6,136.1
PUBLIC HEALTH	7.0	10.0	10.0	0.0	10.0	0.0	10.0	0.0	10.0	0.0
SPECIAL REVENUE	36.0	37.0	34.0	0.0	34.0	34.0	34.0	0.0	34.0	34.0
FEDERAL	130.3	127.3	122.5	0.0	122.5	122.5	118.5	0.0	118.5	118.5
ENTERPRISE	345.1	345.0	211.5	0.0	211.5	211.5	211.5	0.0	211.5	211.5
TOTAL POSITIONS	6,585.8	6,653.9	6,499.1	204.0	6,703.1	6,642.6	6,495.1	72.0	6,567.1	6,500.1

CHANGE REQUEST X Agency Program Activity 1990-91 Biennial Budget

ACTIVITY:

PROGRAM:

AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: ATTORNEY GENERAL AND RELATED COSTS

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
General Fund	\$ 536	-0-	\$ 563	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: Yes X No
Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to cover Attorney General and court costs resulting from increased litigation. The change request is based on additional legal expenses incurred during the previous biennium. Legal action on behalf of vulnerable adults and children assures their health, safety, and rights while maintaining the quality of the human service system.

DESCRIPTION/BACKGROUND:

Prior to F.Y. 1987, state agencies did not pay the Attorney General (AG) for legal fees. Instead, the entire cost was in the AG's budget. Laws of 1986 changed the procedure and in F.Y. 1987 state agencies were first charged for legal services. Agencies paid 25% of AG costs in F.Y. 1987 and the charge increased to 50% in F.Y. 1988. Additionally, on 7-1-88, AG hourly rates increased from \$39 to \$44 per hour. The department put in a change request for \$55,000 in 1987 to pay for the deficit and a similar amount in 1988. The Legislature made no appropriation for these legal costs, instead directing the department to absorb them.

RATIONALE:

There is increasing public pressure for legal act in to ensure the safety of vulnerable adults and children, particularly in the areas of mental health, licensing and child protection. The AG office has had to add more lawyers because of an increasing amount of litigation. Administrative costs have also risen. The \$55,000 deficit projected for 1988 has turned into a \$486,000 deficit and the department is no longer able to absorb this amount. Adequate funding is essential to ensure the department has access to legal advice.

Initially, the department was unable to estimate AG costs because of changing federal laws affecting Human Services, increases in litigation, the costli-

ness of individual cases, and settlements against the department. Three examples are Welsch v. Gardebring, Loder v. Gardebring, and Gardebring v. Jenkins. In the Jenkins case, which went to the U.S. Supreme Court, the department won, but still has to pay AG costs of \$38,000. The Welsch and Loder cases represent litigation with large legal fees to the department.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ *486	\$ *510	\$ -0-	\$ -0-

LONG RANGE IMPLICATIONS: None.

* Actually 0 in base, money spent from savings.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

PROGRAM: HUMAN SERVICES ADMINISTRATION
AGENCY: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

PROGRAM PURPOSE:

This program consists of the agency's Executive Office, Council on Families, and the Finance and Management support programs. This program is responsible for providing overall direction and leadership to the department and its programs and procedures, and for assigning responsibilities to appropriate agency staff. This responsibility is met by carrying out the policy directives of the executive, legislative, and judicial branches of both state and federal government; implementing federal and state human services laws and regulations; assuring uniform and equitable administration of programs and expenditures of funds; and the timely communication of legal and administrative standards to the public and to the agencies that deliver services to recipients.

OPERATIONS:

This program encompasses the following operations:

1. Developing a department budget in conjunction with a department legislative program and presenting both to the Governor and Legislature.
2. Emphasizing efforts that help to identify those innovative policies and programs which lead toward more effective development of client self-sufficiency.
3. Supervising and providing personnel administrative assistance to all department, regional treatment centers, and county merit system managers and supervisors.
4. Operating an accurate and responsive financial management and accounting system.
5. Conducting special studies on topics of fiscal or programmatic significance.
6. Assisting departmental programs and support operations by developing and maintaining systems for collecting and processing data.
7. Developing a comprehensive information systems investment strategy for the agency, planning with counties, providers and consumers, and supporting development of such systems.
8. Maintaining and supporting current departmental information systems.
9. Maintaining general office services including facility management, printing, word processing, travel, forms and records management, graphics, audio-visual services, inventory control, photocopying, and telecommunications services.

MAJOR POLICY ISSUES:

Coordination:

Need for continual fiscal monitoring of federal programs to ensure that the

state's interests are protected.

Need for integrated department management of all entitlement accounts to ensure that program initiatives in mental health, developmental disabilities, chemical dependency, and children's programs mesh with the entitlement structure.

Need for integrated department management of programs for clients at the state regional treatment centers and in community based programs.

Accountability: Need for continuing development of mechanisms that allow the state to attach expectations to and monitor the performance of providers, counties, and other agencies receiving public funds.

Need for emphasis on the limits of the department's programs and its obligation to support nongovernmental solutions to human service problems.

Efficiency: Need for continued emphasis on innovative ways of delivering service that results in lower costs and use of informal care networks.

Need for continued emphasis on department wide revenue generating activities and cost containment initiatives in the health care and long term care areas.

PROGRAM PRIORITIES:

1. Department initiative:

The major priority of this program during the coming biennium is to improve the department's information systems. This program has major coordinating responsibility to implement MAXIS (the automation of several income maintenance programs) and the child support enforcement information systems. This program will also coordinate the overhaul of the medical assistance information system to operate health care programs more efficiently and make legislatively mandated changes more easily.

2. Other program priorities:

The program is placing a renewed emphasis on simplification and standardization of the agency's many fiscal reporting systems. This reform is being done in the context of the broader agency automation programs and promises to reduce and rationalize the many financial reports coming from county governments and improve the timely submission of data to the federal government as well.

GOVERNOR'S RECOMMENDATION:

The Governor recommends a BASE of \$28,235,000 and a biennial increase of \$892,000 for the F.Y. 1990-91 budget. Details for increased funding can be found on the following budget activity CHANGE request pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : HUMAN SERVICES ADMINISTRATION

ACTIVITY EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
EXECUTIVE OFFICE	447	424	440	348	788	599	440	315	755	583
B AIDS POLICY DEVELOPMENT COORDINATION	GEN			51		0		47		0
B PUBLIC INFORMATION-COMMUNICATIONS	GEN			95		0		78		0
B INTERNAL AUDITS / INTEGRITY	GEN			202		159		190		143
COUNCIL ON FAMILIES	103	110	117	0	117	117	117	0	117	117
FINANCIAL MANAGEMENT	23,284	27,608	27,703	173	27,876	27,830	27,703	153	27,856	27,818
B ACCOUNTS PAYABLE / EQUIPMENT INVENTORY	GEN			91		45		76		38
B RTC NEG - CTS	GEN			82		82		77		77
COUNTY AIDS	3,796	3,796	3,796	317	4,113	3,296	2,646	266	2,912	1,646
B RED LAKE BAND OF CHIPPEWA INDIANS	GEN			317		0		266		0
B ELIMINATION COUNTY EQUALIZATION AID FOR IM COSTS	GEN			0		<500>		0		<1,000>
FEDERAL ADMINISTRATIVE REIMBURSEMENT SYSTEMS MANAGEMENT	79,916 663	85,000 882	85,000 876	0 3,711	85,000 4,587	85,000 876	85,000 876	0 2,509	85,000 3,385	85,000 876
B TELECOMM MGMT AMD INTERAGENCY PLANNING	GEN			455		0		455		0
B AUTOMATE ADMINISTRATIVE OPERATIONS	GEN			3,256		0		2,054		0
MANAGEMENT SERVICES	3,497	3,566	4,952	202	5,154	4,952	5,053	171	5,224	5,053
B TELEPHONE SPEC & GRAPHICS SPEC	GEN			102		0		71		0
B ADAPTING OFFICE SPACE	GEN			100		0		100		0
PERSONNEL	977	886	945	791	1,736	1,698	945	863	1,808	1,783
B AFFIRMATIVE ACTION CLERICAL STAFF	GEN			38		0		25		0
B RTC NEGOTIATIONS - STAFF TRAINING	GEN			663		663		753		753
B RTC NEG - C T S	GEN			90		90		85		85

1990-91 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : HUMAN SERVICES ADMINISTRATION

ACTIVITY EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
REIMBURSEMENT DIVISION	1,777	2,146	2,239	132	2,371	2,371	2,239	125	2,364	2,364
B RTC PER SERVICE CHARGE				52		52		50		50
B SERVICE AND REVENUE RECOVERY PROJECT				80		80		75		75
TOTAL EXPENDITURES	114,460	124,418	126,068	5,674	131,742	126,739	125,019	4,402	129,421	125,240
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	13,228	12,992	14,642	5,674	20,316	15,313	13,593	4,402	17,995	13,814
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	85	335	335	0	335	335	335	0	335	335
FEDERAL	80,061	85,091	85,091	0	85,091	85,091	85,091	0	85,091	85,091
AGENCY	21,086	26,000	26,000	0	26,000	26,000	26,000	0	26,000	26,000
TOTAL FINANCING	114,460	124,418	126,068	5,674	131,742	126,739	125,019	4,402	129,421	125,240
POSITIONS BY FUND:										
GENERAL	152.0	151.0	151.0	24.0	175.0	162.0	151.0	24.0	175.0	162.0
SPECIAL REVENUE	6.0	6.0	6.0	0.0	6.0	6.0	6.0	0.0	6.0	6.0
FEDERAL	3.5	3.5	3.5	0.0	3.5	3.5	3.5	0.0	3.5	3.5
TOTAL POSITIONS	161.5	160.5	160.5	24.0	184.5	171.5	160.5	24.0	184.5	171.5

ACTIVITY: EXECUTIVE OFFICE
Program: HUMAN SERVICES ADMINISTRATION
Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

To provide overall direction and leadership to the department, its programs and residential facilities.

ACTIVITY DESCRIPTION:

The Executive Office consists of the Commissioner, Deputy Commissioner, Assistant to the Commissioner, Administrative Assistant, Communications Director, and 2.0 clerical support positions. It oversees and manages all department activities and sees to it that the department's mission, as well as directives from the governor, the legislature, and the federal government are carried out; that fiscal resources are used efficiently and effectively and for their intended purposes; and that communication is maintained with national, state, and local governments, and with agencies both in the public and private sectors.

The major functions of this activity are:

1. Leadership. To make decisions which create effective and efficient management of the department; to initiate policies which foster client self-sufficiency.
2. Policy Development. To develop a budget and legislative program for the department in cooperation with the Governor, the Legislature, and constituent agencies.
3. Planning. To develop a work plan which will enable the department to carry out the mission and goals of the Governor, Legislature, and federal government.
4. Implementation. To implement the department's plan and to ensure conformity with federal law and state statutes.
5. Compliance. To monitor policy and practice in the state residential treatment facilities and ensure compliance with state and federal regulations.
6. Communication. To provide effective communication with government agencies, public and private human services agencies, clients, advocacy groups, providers, and the general public.
7. Accountability. To balance the use of public funds in ways which are cost-effective and yet responsive to public need.
8. Supervision. To supervise the counties' administration of human services programs. Authority for this activity is found in M.S. 256.01, Subd. 2.

ACCOMPLISHMENTS AND GOALS:

Consolidation and Coordination:

Ongoing working relationships have been developed between Department of Human

Services and the Departments of Education and Jobs and Training. These relationships have produced collaborative efforts which have improved the effectiveness of legislative welfare reform initiatives. For example, work-readiness programs and educational opportunities for minor caregivers who receive Aid to Families with Dependent Children have been implemented.

Planning:

Systematic planning and priority setting activities have been undertaken, including processes for soliciting public input which have produced more responsive management policies and directions.

Implementation:

Major restructuring of prenatal care policies within the Medical Assistance Program has been accomplished, and the Children's Health Plan was implemented in July, 1988. These programs will provide critical cost-effective medical care which is responsive to the needs of low income families.

LEGISLATIVE ISSUES:

More extensive explanation of the department's major legislative initiatives are given elsewhere in this budget proposal, but they include a children's initiative, welfare reform, updating the department's information systems, further implementing the 1987 Mental Health Act, clarifying and improving county-state relations, strengthening quality assurance measures, improving quality in direct care at the regional treatment centers, and state-run nursing homes, changing and improving medical assistance coverage and reimbursement procedures, and improving services to refugees.

REVENUE:

This activity earns federal administrative reimbursement at the rate of 38.2% of its expenditures - these reimbursements are deposited into the state general fund.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested to accomplish the goals of this activity except as detailed on the following CHANGE request pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : HUMAN SERVICES ADMINISTRATION
BUDGET ACTIVITY : EXECUTIVE OFFICE

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	360	339	355	259	614	471	355	259	614	471
EXPENSES/CONTRACTUAL SRVCS	30	53	53	25	78	60	53	25	78	60
MISC OPERATING EXPENSES	41	30	30	18	48	40	30	18	48	42
SUPPLIES/MATERIALS/PARTS	9	2	2	4	6	5	2	4	6	5
CAPITAL EQUIPMENT	7	0	0	42	42	23	0	9	9	5
TOTAL EXPENDITURES	447	424	440	348	788	599	440	315	755	583
CHANGE REQUESTS:										
B AIDS POLICY DEVELOPMENT COORDINATION				51		0		47		0
B PUBLIC INFORMATION-COMMUNICATIONS				95		0		78		0
B INTERNAL AUDITS / INTEGRITY				202		159		190		143
TOTAL CHANGE REQUESTS				348		159		315		143
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	447	424	440	348	788	599	440	315	755	583
TOTAL FINANCING	447	424	440	348	788	599	440	315	755	583
POSITIONS BY FUND:										
GENERAL	7.0	7.0	7.0	3.0	10.0	10.0	7.0	3.0	10.0	10.0
TOTAL POSITIONS	7.0	7.0	7.0	3.0	10.0	10.0	7.0	3.0	10.0	10.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: EXECUTIVE OFFICE
 PROGRAM: HUMAN SERVICES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: AIDS POLICY DEVELOPMENT COORDINATION

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
General Fund	\$ 51	1.0	\$ 47	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and position for development, coordination, and review of AIDS policies. The department's request for funding and staff will assure that DHS-funded facility and program services are delivered in a manner that assures health and safety of staff and recipients.

DESCRIPTION/BACKGROUND:

An estimated 10,000 to 30,000 Minnesota residents are infected with the Human Immunodeficiency Virus (HIV). Of these persons, 30% to 70% are likely to develop symptoms of Acquired Immune Deficiency Syndrome (AIDS). Many of these currently infected persons will require services which are funded or regulated by the department, through Medical Assistance, community mental health centers, regional treatment centers, child and adult foster care, or adoption. Coordinated policy development and implementation is required in these and other critical areas, such as employee safety, data privacy, and cost control.

In addition, AIDS prevention and risk reduction programs are necessary for the populations which the department serves. Intravenous drug users, for example, are expected to be the major source of HIV transmission perinatally to infants who will contact the illness and who are likely to require department services. Vulnerable persons, such as individuals with mental illness or developmental disabilities, require special training to reduce their risk of HIV infection. Staff in department-operated facilities and licensed programs need current information on the virus and its modes of transmission.

Policy development to address these and other emerging issues will necessitate effort from most department divisions. Cost and incidence data and legal information must be gathered and disseminated in a coordinated manner and systematically evaluated so policy decisions are appropriately made. Linkages with other state departments, such as Health, Human Rights, and

Education are required to assure that state agencies' policies are consistent.

RATIONALE:

Additional staff is necessary in order for the department to respond to the AIDS epidemic.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 47	\$ 47

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The department may carry out this activity within current staff resources.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: EXECUTIVE OFFICE
 PROGRAM: HUMAN SERVICES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: PUBLIC INFORMATION/COMMUNICATION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 95	2.0	\$ 78	2.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: _____ Yes <u> X </u> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and 2.0 positions to improve its capacity for communications with clients, providers, the general public, and other state and local government agencies, as well as internal communications between programs and divisions.

DESCRIPTION/BACKGROUND:

In any one year, 12% (or about 500,000) of the citizens of Minnesota use one or more of the variety of services offered by the department. These services include medical care, social services, and financial and other assistance to the aged, hearing impaired, poor, abused, disabled, chemically dependent, mentally ill, and other vulnerable citizens.

The department addresses this demand through programs staffed by more than 7,000 employees in its 26 divisions in the central office, 8 regional treatment centers, and 2 state-operated nursing homes.

RATIONALE:

To ensure fair and appropriate distribution of its services, the administration and monitoring of the department's programs are necessarily complex. Further, federal and state laws, as well as department rules, are frequently modified in response to the changing needs of the department's clientele. The fluid nature of the department's responsibilities, the changing needs and rights of its clientele, and the complexity in administering a variety of interrelated programs, all make an open and continuous flow of communication essential to the efficient operation of the department.

The department does not now have the staff necessary to fulfill that respon-

sibility as it should. Even though it is the largest agency in the state, it currently has only 1.0 permanent position assigned to communications functions. Funding of this activity will improve the department's ability to provide more and better information to its own employees, the general public, its clients, service providers, and other state and local government agencies.

That information is to be provided through preparation of public information statements and news columns, information sheets and brochures that explain public access to department services, specific responses to inquiries from the public and the press, and regular publication of newsletters.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 49	\$ 49	\$ 49	\$ 49

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures (000's)	\$ 78	\$ 78

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The department may carry out this activity within current staff resources.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: EXECUTIVE OFFICE
 PROGRAM: HUMAN SERVICES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: INTERNAL AUDITS TO INCREASE PROGRAM INTEGRITY AND SAVE FUNDS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 202	-0-	\$ 190	-0-
Governor's Recommendation				
General Fund	\$ 159	3.0	\$ 143	3.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to develop an internal audit function for department programs and grants. The funding requested will provide salary and support costs for 3 auditors. The cost effectiveness of this project will be evaluated before permanent funding is requested.

DESCRIPTION/BACKGROUND:

The department has an annual budget in excess of \$2 billion dollars. Funds flow through the department to over 350 grantees and county agencies. Grants need regular, systematic monitoring to guarantee program and fiscal integrity. Additionally, a number of department programs, such as the Medicaid Home and Community-Based Care Waiver and the Consolidated Chemical Dependency Treatment Fund, represent new ways of providing and paying for services. These programs need increased monitoring to improve fiscal accountability.

RATIONALE:

State accounting standards and sound government accounting practices demand that program expenditures, provider rates, contractual payments, and provider settlements meet specific standards of program integrity. Moreover, as the single-state agency for the federal Medicaid program, DHS is subject to regular federal audits that examine department expenditures, allocations, and accounting practices. The department is at risk of large sanctions or paybacks if federal standards are not met. Recent sanctions and paybacks have totaled \$2,500,000.

The internal auditor staff would report to the Deputy Commissioner. Annual audit agenda would be formulated with an Internal Audit Committee consisting of the deputy commissioner, two assistant commissioners, a representative from state government, and an auditing representative from the private sector.

Based on private industry standards, cost savings and cost avoidance generated by the department's internal audit group would be about \$500,000 a year. Although the actual audit work would be determined by the audit committee, the department estimates that \$250,000 in cost savings would be recoveries to the state's general fund.

This activity earns administrative reimbursement at the rate of 38.2% of expenditures these reimbursements are deposited into the state general fund. The activity is also expected to return \$250,000 to the state general fund in F.Y. 1991.

BASE: None.

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 190	\$ 190

GOVERNOR'S RECOMMENDATION:

After review of this activity, the Governor recommends an alternative funding of \$302,000 and 3.0 positions to fund the top priority recommendations of the inter-agency Internal Audit Action Committee. This committee reviewed the need for internal auditors of state agencies and issued their report in the fall of 1988. This request will generate \$150,000 for the biennium, which will be non-dedicated receipts to the General Fund.

ACTIVITY: COUNCIL ON FAMILIES
Program: HUMAN SERVICES ADMINISTRATION
Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

To bring about public consensus and action on children's issues through ongoing research, information, and education and to coordinate interagency efforts to improve access to state services for children.

ACTIVITY DESCRIPTION:

Established by Executive Order in 1984 and redefined in 1988, the council spearheads agency efforts to act on a range of issues affecting children, including child care and early education, health care and nutrition, child welfare and family support, youth education and development. It is required to:

1. propose broad-based, comprehensive child care and family policies;
2. recommend improved coordination of program and fiscal resources of state and local, public and private services to children and families.
3. facilitate better access to services by those children who need them.

ACCOMPLISHMENTS AND GOALS:

The council's collaborative work with other agencies led to consolidation of the state's child care funding resources into a single fund and oversight of all child care services to a single state agency. The council assisted in obtaining significant increases for the child care fund.

The council was able to get agency or legislative adoption of 18 of its 22 recommendations from its major report Making Child Care Work. Some of these included modification of restrictive building code regulations, more effective interagency administration of the child care food program; increased availability of liability insurance for child care providers; establishment of quality indicators of care for children; and establishment of a child care grants and loans program.

Future goals of the council focus on the needs of multi-problem families for whom economic hardship or problems with social functioning pose special risks for children. Problems posed by the increased incidence of homeless families, rising use of food shelves, inadequate health insurance, lack of child care and early educational supports, and increased incidence of family violence require innovative solutions. The council will assess the impact of these problems upon children and propose solutions to the Governor on how to address these needs. The council will identify for all children barriers to services and will examine ways to redirect state programs and fiscal resources to ensure that children in need receive appropriate help. Finally, the council will report on federal and state spending patterns for major state agency programs in order to recommend new directions for future programs and services for children.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Council reports issued	2	3	3	3
Council issue papers developed	5	5	5	5
Statewide hearings held	6	6	6	6

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested to accomplish the goals of this activity.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : HUMAN SERVICES ADMINISTRATION
BUDGET ACTIVITY : COUNCIL ON FAMILIES

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	71	77	84	0	84	84	84	0	84	84
EXPENSES/CONTRACTUAL SRVCS	15	19	19	0	19	19	19	0	19	19
MISC OPERATING EXPENSES	12	14	14	0	14	14	14	0	14	14
SUPPLIES/MATERIALS/PARTS	1	0	0	0	0	0	0	0	0	0
CAPITAL EQUIPMENT	4	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	103	110	117	0	117	117	117	0	117	117
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	103	110	117	0	117	117	117	0	117	117
TOTAL FINANCING	103	110	117	0	117	117	117	0	117	117
POSITIONS BY FUND:										
GENERAL	2.0	2.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0
TOTAL POSITIONS	2.0	2.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0

ACTIVITY: FINANCIAL MANAGEMENT
 Program: HUMAN SERVICES ADMINISTRATION
 Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

To maintain a viable, accurate financial system operated according to laws, rules, regulations, and generally accepted accounting principles, that is responsive to management, facilitates delivery of department services and programs, and ensures appropriate control of public funds.

ACTIVITY DESCRIPTION:

This activity does the accounting, budgeting, fiscal recordkeeping, and financial reporting for the department. Major tasks include:

1. preparing annual operating budgets and interim adjusting documents;
2. preparing the fiscal portion of the biennial budget;
3. paying bills (including department payroll) for central office administration;
4. identifying and depositing central office receipts to the state treasury;
5. maintaining fiscal records through the statewide accounting system and generating, distributing, and filing the statewide accounting reports on state, federal, and other funds expended by the department;
6. preparing internal management reports on the financial status of department programs;
7. preparing federal fiscal estimate and expenditure reports for all federal programs administered by the department;
8. obtaining and monitoring federal funds/draws by program on letter of credit;
9. developing and maintaining the federally approved department cost allocation plan, including a standard county plan that counties may utilize (most do);
10. calculating, obtaining, and distributing federal administrative earnings to counties and the state general fund;
11. developing, promulgating, receiving, and desk-auditing financial reports for the Income Maintenance, Social Services and Local Aids programs supervised by the department;
12. issuing appropriate state and federal reimbursement to local agencies and other department subrecipients;
13. establishing financial procedure guidelines and providing technical assistance to local agencies and state residential facilities;
14. coordinating the single-audit process for human services activities and resolving audit findings and recommendations of department subrecipients.

ACCOMPLISHMENTS AND GOALS:

During the past 2 years staff in this activity have developed a new system of internal management reports that have been very beneficial to top and middle management in their fiscal control of the department. A series of internal management reports on the major information systems projects were also developed by staff in this activity. The department was able to deal with the DHS share of the Insurance Trust Fund Deficit (\$1.654 million) and other financial problems. DHS has achieved the 98% prompt payment goal set by the Department of Finance. A new series of financial reports was developed for the "PATHS" and Child Care Fund initiatives. A confusing and outdated series of Title IV-E foster care fiscal reports were replaced by

coherent, permanent reports which support the Title IV-E revenue enhancement initiative and reduce the risk of federal audit exceptions. Division staff led a county-state task force in the first major rewrite of the County Financial Accounting and Reporting Standards (COFARS) manual. Key division staff participated in a long-range strategies planning session. One of the goals of this activity is to participate in simplifying and consolidating financial reports received from the counties.

ACTIVITY STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Budgetary accounts	665	685	700	700
No. of Letter of Credit Draws	700	700	730	730
No. of Checks Deposited	93,000	94,000	95,000	95,000
No. of statewide accounting actions	92,798	95,000	100,000	100,000
No. of payroll checks processed	22,100	24,100	24,750	24,750
No. of county reports processed	11,940	12,300	12,750	12,750
Receipts Deposited in State Treasury (000's)	\$1,064,150	\$1,139,035	\$1,211,200	\$1,311,200
Federal Funds- Letter of Credit (000's)	\$ 955,464	\$1,029,035	\$1,100,000	\$1,200,000
Other Receipts-Checks (000's)	\$ 108,686	\$ 110,000	\$ 111,200	\$ 111,200
Federal administrative reimbursement obtained via cost allocation system				
County (000's)	\$ 58,166	\$ 61,075	\$ 64,128	\$ 67,334
Central Office (000's)	\$ 17,442	\$ 18,314	\$ 19,230	\$ 20,192

REVENUE:

This activity earns federal administrative reimbursement at the rate of 34.8% of expenditures - these reimbursements are deposited into the state general fund.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested to accomplish the goals of this activity, except for the changes detailed on the following change pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : HUMAN SERVICES ADMINISTRATION
BUDGET ACTIVITY : FINANCIAL MANAGEMENT

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	2,067	1,509	1,604	130	1,734	1,702	1,604	130	1,734	1,702
EXPENSES/CONTRACTUAL SRVCS	44	40	40	9	49	49	40	9	49	49
MISC OPERATING EXPENSES	34	35	35	6	41	41	35	7	42	42
SUPPLIES/MATERIALS/PARTS	14	12	12	8	20	17	12	7	19	13
CAPITAL EQUIPMENT	39	12	12	20	32	21	12	0	12	12
STATE OPERATIONS	2,198	1,608	1,703	173	1,876	1,830	1,703	153	1,856	1,818
AIDS TO INDIVIDUALS	21,086	26,000	26,000	0	26,000	26,000	26,000	0	26,000	26,000
TOTAL EXPENDITURES	23,284	27,608	27,703	173	27,876	27,830	27,703	153	27,856	27,818
CHANGE REQUESTS: FUND										
B ACCOUNTS PAYABLE / EQUIPMENT INVENTORY				91		45		76		38
B RTC NEG - CTS				82		82		77		77
TOTAL CHANGE REQUESTS				173		127		153		115
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	2,198	1,608	1,703	173	1,876	1,830	1,703	153	1,856	1,818
STATUTORY APPROPRIATIONS:										
AGENCY	21,086	26,000	26,000	0	26,000	26,000	26,000	0	26,000	26,000
TOTAL FINANCING	23,284	27,608	27,703	173	27,876	27,830	27,703	153	27,856	27,818
POSITIONS BY FUND:										
GENERAL	40.0	40.0	40.0	4.0	44.0	43.0	40.0	4.0	44.0	43.0
TOTAL POSITIONS	40.0	40.0	40.0	4.0	44.0	43.0	40.0	4.0	44.0	43.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: FINANCIAL MANAGEMENT
 PROGRAM: HUMAN SERVICES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: ACCOUNTS PAYABLE AND EQUIPMENT INVENTORY PROCESSING

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 91	2.0	\$ 76	2.0
Governor's Recommendation				
General Fund	\$ 45	1.0	\$ 38	1.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to continue prompt processing of an increasing volume of Statewide Accounting System (SWA) payment transactions and Fixed Asset Record Management System (FARMS) equipment inventory transactions.

DESCRIPTION/BACKGROUND:

New initiatives, additional programs, and activities created in recent years have resulted in increased purchasing activity. The major information system projects are generating a large volume of new purchases and equipment inventory activity. Because of the high level of federal financial participation in the major information system projects and the large quantity of equipment that will be needed, federal agencies are requiring reimbursement claims for equipment be based on depreciation charges. This is a new activity for the Department of Human Services (DHS) and will require much greater effort in the fixed asset inventory area.

The volume of encumbrances, invoices, and payments for SWA processing have increased. Purchasing and payment procedures have become more complex. Managers are demanding up-to-date SWA budget and financial reports. A 98% prompt payment level must be maintained.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Vendor Payments (000's)	\$ 12,920	\$ 14,210	\$ 15,000	\$ 15,000
Encumbrances	3,338	3,671	4,000	4,000
Accounts (SWA AIDS)	265	285	310	310
Equipment Inventory Records	8,000	10,000	16,000	25,600
Expenditures (000's)	\$2,332,000	\$2,500,000	\$2,750,000	\$2,750,000

RATIONALE:

A significant increase in SWA accounts payable processing has occurred be-

tween 1986-1988 and the increase is anticipated to continue. Encumbrance processing increased 25% in F.Y. 1988 over F.Y. 1987. Vendor payments increased 11%. The number of accounts increased 8%, and total expenditures increased 12% in F.Y. 1988 over F.Y. 1987. It is good business practice to pay bills promptly, take advantage of maximum discounts, and maintain current account status.

Further, the major information systems projects call for installation of 3,000 new work stations up from the roughly 200 currently in use. Equipment inventory control and maintenance transactions utilizing FARMS will greatly increase. Management of the Child Support and MAXIS System's considerable investment in computer equipment will be possible only with up-front maintenance of a complete capital asset system. Government capital asset reporting deficiencies are issues with auditors and the press. Service potential as well as depreciation and value reporting are often considered deficient. Each system's large volume of units located throughout the state places DHS at risk for the ability to accurately report on all aspects of equipment inventory. Federal disallowances will result if inaccurate depreciation claims are made or DHS lacks the ability to trace unit locations.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 155	\$ 152	\$ 152	\$ 152

LONG RANGE IMPLICATIONS:	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 76	\$ 76

GOVERNOR'S RECOMMENDATION:

The Governor recommends a biennial increase of \$83,000 and 1.0 position. The approved position is for the purposes of accurately monitoring and reporting on the equipment inventory throughout the state. This is particularly important as the state begins to make a large investment in equipment as a result of the MAXIS and Child Support Enforcement systems. This request will generate \$40,000 for the biennium, which will be non-dedicated receipts to the General Fund.

ACTIVITY: COUNTY AIDS
 Program: HUMAN SERVICES, ADMINISTRATION
 Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

This activity exists to distribute legislative appropriations for the 3 local aid programs described below to counties.

I) STATE ADMINISTRATIVE AID:

Statutory Reference: M.S. 256D.22

The State Administrative Aid program provides state fund reimbursement to counties for up to 50% of the non-federally reimbursed salary and fringe expenses incurred in administering income maintenance programs. The program was eliminated by the 1988 Legislature as part of the state takeover of all non-federal income maintenance costs effective 1-1-90.

Reimbursement is made for salaries and fringe of county income maintenance employees who are permanent or probationary, and for provisional limited term employees who fill established jobs while the incumbent is on leave. Salaries of intermittent employees or trainees employed on a full-time, established training program performing the duties of the classified position for which they will be eligible to receive immediate appointment at the completion of the training period are also reimbursed.

The reimbursement for salary expenses is limited to regular compensation not in excess of that paid similarly situated state employees, the employers cost of hospitalization, medical and major medical health insurance, Social Security, Public Employees Retirement Association, Municipal Employees Retirement Association contributions, and workers compensation charges.

Reimbursement is not available for salary costs of: (1) single-county welfare directors; (2) fiscal personnel and their supporting clerical staff who spend 30% or more of their time processing public assistance claims and payments; or (3) emergency employees. No reimbursement is made for non-salary expenses.

Funding for social services salary and fringe is included in the Community Social Services Act appropriation.

STATISTICS:	(Dollars in Thousands)			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Non-federally reimbursed eligible expenditures	\$ 44,756	\$ 46,098	\$ 23,390*	\$ -0-
Non-federally reimbursed county costs paid	5.14%	4.99%	4.92%	\$ -0-

GRANTS BY FUND:	(Dollars in Thousands)			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General	\$ 2,300	\$ 2,300*	\$ 1,150*	\$ -0-

* Note: Program eliminated 12-31-89.

II) EQUALIZATION AID:

Statutory Reference: M.S. 245.775

The Equalization Aid Program exists to distribute the legislative appropriation to "distressed" counties according to statute. The intent is to provide some fiscal relief to counties that have disproportionately high income maintenance costs and a disproportionately low ability to generate revenue through taxes.

The Equalization Aid statute requires the distribution to be made in accordance with a formula using 4 factors. The 4 factors outlined in law are: (1) income maintenance recipient rate; (2) per capita income; (3) per capita taxable value; (4) per capita income maintenance expenditures. The intent of the formula is to determine the counties with the lowest taxing capability and the highest welfare costs relative to the other counties.

STATISTICS: F.Y. 1988 F.Y. 1989

Equalization Aid distributed by County:

Aitkin	\$ - 0 -	\$ 7.9
Becker	- 0 -	10.1
Beltrami	367.3	251.6
Carlton	43.1	25.6
Cass	73.3	111.3
Clearwater	106.3	77.5
Hubbard	- 0 -	6.9
Itasca	- 0 -	25.1
Kanabec	- 0 -	11.1
Koochiching	- 0 -	112.5
Mahnomen	32.7	31.5
Mille Lacs	40.5	71.4
Morrison	- 0 -	26.4
Pine	142.7	175.5
Todd	115.1	30.1
Wadena	79.0	25.5

TOTAL \$ 1,000.0 \$ 1,000.0

GRANTS BY FUND:	(Dollars in Thousands)			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General Fund	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000

III) RED LAKE CHIPPEWA INDIANS:

Statutory Reference: M.S. 245.765

The Red Lake Chippewa Indian program provides reimbursement for costs of human services programs attributable to members of the Red Lake Band of Chippewa Indians who reside on the Red Lake Reservation. Counties that provide financial assistance and services to the Red Lake Reservation (Beltrami and Clearwater) are reimbursed up to 100% of net county human services program costs for members of the Red Lake Band of Chippewa Indians who reside on the Red Lake Reservation.

ACTIVITY: COUNTY AIDS
(Continuation)

1990-91 Biennial Budget

Program: HUMAN SERVICES

Agency: HUMAN SERVICES, DEPARTMENT OF

The Beltrami and Clearwater County Human Services Departments report total grant and administrative costs attributable to eligible Red Lake Indians. Applicable state and federal funds are deducted to determine net county costs eligible for reimbursement from this appropriation. If the appropriation is insufficient to reimburse all eligible costs at 100%, there is a pro-rata reduction in payments.

The Red Lake Reservation is one of the very few "closed" reservations in the country. No tax revenues from reservation lands are realized by the counties, but they are required by law to provide financial assistance and services to the individuals residing on the reservation.

STATISTICS:	(Dollars in Thousands)			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Eligible costs	\$ 792	\$ 814	\$ 813	\$ 762
Percent of eligible costs reimbursed	62.6%	60.9%	61.0%	65.1%

GRANTS BY FUND:	(Dollars in Thousands)			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General Fund	\$ 496	\$ 496	\$ 496	\$ 496

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity except for the change detailed on the following change page.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : HUMAN SERVICES ADMINISTRATION
BUDGET ACTIVITY : COUNTY AIDS

EXPENDITURES:	F.Y. 1990						F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
LOCAL ASSISTANCE	3,796	3,796	3,796	317	4,113	3,296	2,646	266	2,912	1,646	
TOTAL EXPENDITURES	3,796	3,796	3,796	317	4,113	3,296	2,646	266	2,912	1,646	
CHANGE REQUESTS:											
B RED LAKE BAND OF CHIPPEWA INDIANS					317	0		266		0	
B ELIMINATION COUNTY EQUALIZATION AID FOR GEN IM COSTS					0	<500>		0		<1,000>	
TOTAL CHANGE REQUESTS					317	<500>		266		<1,000>	
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	3,796	3,796	3,796	317	4,113	3,296	2,646	266	2,912	1,646	
TOTAL FINANCING	3,796	3,796	3,796	317	4,113	3,296	2,646	266	2,912	1,646	
POSITIONS BY FUND:											
TOTAL POSITIONS											

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: COUNTY AIDS
 PROGRAM: HUMAN SERVICES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: RED LAKE BAND OF CHIPPEWA INDIANS-STATUTORY FUNDING

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 317	-0-	\$ 266	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to increase reimbursement to the 100% allowed in statute for county costs of providing human services to members of the Red Lake Band of Chippewa Indians residing on the reservation.

DESCRIPTION/BACKGROUND:

Beltrami and Clearwater counties provide many human services programs and services to members of the Red Lake Band who reside on the Red Lake Reservation. Many of the services are provided on the reservation. Beltrami County has a branch office located on the Red Lake Reservation with 7 staff assigned there. Some years ago the legislature recognized the difficult position of these counties in providing needed services to the Red Lake Reservation while receiving no tax revenues from the land, by establishing this reimbursement program and appropriating funds sufficient to provide full funding for the Red Lake costs. The appropriation amount has remained the same for several years while costs have increased. Thus the reimbursement percentage has decreased.

STATISTICS:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Eligible Costs	\$ 792	\$ 814	\$ 813	\$ 762
Base Level Appropriation	\$ 496	\$ 496	\$ 496	\$ 496
Percent of Eligible Costs				
Reimbursed-Base level only	62.6%	60.9%	61.0%	65.1%
Base Appropriation Plus				
Change Request			\$ 813	\$ 762
Percent of Eligible Costs				
Reimbursed-Base plus Change			100%	100%

RATIONALE:

Based on county estimates of Red Lake expenditures there will be insufficient appropriation at the base level to achieve the statutory level of reimbursement. Even after the state "takes over" all of the non-federal share of the Income Maintenance Programs beginning 1-1-90, the base level appropriation will only provide approximately 2/3 of the statutory level. The economic circumstances of these counties are not good, yet they have no alternative but to provide the Red Lake services. The services provided are needed. Insufficient reimbursement will work a significant hardship on these counties.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 496	\$ 496	\$ 496	\$ 496

LONG RANGE FUNDING IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 266	\$ 266

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: COUNTY AIDS
 PROGRAM: HUMAN SERVICES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: COUNTY AIDS

	<u>F.Y. 1990</u>		<u>F.Y. 1991</u>	
	(000's) <u>Amount</u>	<u>Positions</u>	(000's) <u>Amount</u>	<u>Positions</u>
Governor's Recommendation				
General Fund	\$(500)	-0-	\$(1,000)	-0-

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 245.775

GOVERNOR'S RECOMMENDATION:

The governor recommends eliminating funding for equalization aid. The 1988 Tax Bill, fully finances the non-federal share of income maintenance grants from state sources. Because of this, the supplemental equalization aid to certain counties is no longer appropriate.

DESCRIPTION/BACKGROUND:

The purpose of the equalization aid program was to provide some protection for counties with high income maintenance costs and low property tax generating capacity from an unequal income maintenance burden. The counties which received aid, and the amounts, are listed on the activity narrative page.

RATIONALE:

The state will fully finance non-federal costs of income maintenance grants as of 1-1-90. After that date, the tax-generating capacity of counties and relative county caseloads will no longer be a factor in the financing of income maintenance grants and the program will no longer be necessary.

<u>BASE:</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General Fund Expenditures	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000

<u>LONG RANGE IMPLICATIONS:</u>	<u>(Dollars in Thousands)</u>	
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>
General Fund Expenditures	\$ (1,000)	\$ (1,000)

ACTIVITY: FEDERAL ADMINISTRATIVE REIMBURSEMENT 1990-91 Biennial Budget
Program: HUMAN SERVICES ADMINISTRATION
Agency: HUMAN SERVICES, DEPARTMENT OF

ACTIVITY OBJECTIVE:

To claim federal reimbursement from the various federal agencies for administrative costs incurred in providing federally funded assistance programs and to distribute the funds to counties so that county expense is minimized; and to reimburse the general fund for central office earnings.

ACTIVITY DESCRIPTION:

This grant activity exists to claim and "pass through" federal reimbursement funds for administrative expenses to counties and the state general fund according to federal regulations and state statute.

Federal reimbursement for administrative costs is available at varying percentages to all counties administering the various federal programs and for administrative costs incurred at the state level. To be eligible for federal reimbursement, county and state administrative costs must be identified and allocated by program based upon an approved cost allocation plan. Cost allocation plans and amendments to the plans must be approved by the Federal Division of Cost Allocation.

A standard, statewide cost allocation plan is used by most counties. Counties using the standard plan need not submit individual plans to the state or federal agency. Hennepin, Ramsey, and St. Louis counties do not use the standard plan and so must submit their cost allocation plans through the Department of Human Services for approval by the Division of Cost Allocation.

In addition to a human services cost allocation plan, all counties may submit an acceptable county-wide indirect cost plan. This will entitle counties to receive reimbursement for county expenses incurred by non human services county departments or offices (the county auditor, for example) which are properly allocated to the county human services department. If a county does not have a county-wide indirect cost plan it will not be entitled to receive federal reimbursement for county-wide indirect costs.

Reimbursement to counties and the state general fund is based on application of the varying rates of federal financial participation by program to eligible county and state expenditures.

ACTIVITY STATISTICS: F.Y. 1988 F.Y. 1989 F.Y. 1990 F.Y. 1991

Federal financial participation
major components:

Medical Assistance Administration	50%	50%	50%	50%
Aid to Families with Dependent Children Administration	50%	50%	50%	50%
Child Support Enforcement Admin.	68%	68%	66%	66%
Food Stamps Administration	50%	50%	50%	50%
Refugee Assistance Administration	100%	100%	100%	100%
Foster Care Administration	50%	50%	50%	50%

REVENUE:

This activity provides the vehicle by which the following revenues are realized by counties and the state general fund.

Federal administrative reimbursement by program-counties

	(Dollars in Thousands)			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Medical Assistance	\$16,175	\$16,984	\$17,833	\$18,725
Aid to Families with Dependent Children	14,515	15,241	16,003	16,804
Child Support Enforcement	15,853	16,646	17,478	18,352
Food Stamps	10,723	11,259	11,822	12,413
Refugee Assistance	558	585	615	646
Foster Care	342	360	377	396
TOTAL	\$58,166	\$61,075	\$64,128	\$67,334

Federal reimbursement by program-central office general fund

	(Dollars in Thousands)			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Medical Assistance	\$ 11,951	\$ 12,549	\$ 13,176	\$ 13,835
Aid to Families with Dependent Children	1,971	2,069	2,173	2,281
Child Support Enforcement	476	500	525	551
Refugee Assistance	161	169	177	186
Foster Care	392	412	433	455
Food Stamps	647	679	713	749
Other	1,844	1,936	2,033	2,135
TOTAL	\$ 17,442	\$ 18,314	\$ 19,230	\$ 20,192

EXPLANATION OF BUDGET REQUEST:

No state funding is requested for this activity.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : HUMAN SERVICES ADMINISTRATION
BUDGET ACTIVITY : FEDERAL ADMINISTRATIVE REIMBURSEMENT

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
EXPENSES/CONTRACTUAL SRVCS	41	24	24	0	24	24	24	0	24	24
MISC OPERATING EXPENSES	2	3	3	0	3	3	3	0	3	3
SUPPLIES/MATERIALS/PARTS	1	0	0	0	0	0	0	0	0	0
CAPITAL EQUIPMENT	2	0	0	0	0	0	0	0	0	0
REDISTRIBUTIONS	17,543	17,982	17,982	0	17,982	17,982	17,982	0	17,982	17,982
STATE OPERATIONS	17,589	18,009	18,009	0	18,009	18,009	18,009	0	18,009	18,009
LOCAL ASSISTANCE	62,327	66,991	66,991	0	66,991	66,991	66,991	0	66,991	66,991
TOTAL EXPENDITURES	79,916	85,000	85,000	0	85,000	85,000	85,000	0	85,000	85,000
SOURCES OF FINANCING:										
STATUTORY APPROPRIATIONS:										
FEDERAL	79,916	85,000	85,000	0	85,000	85,000	85,000	0	85,000	85,000
TOTAL FINANCING	79,916	85,000	85,000	0	85,000	85,000	85,000	0	85,000	85,000
POSITIONS BY FUND:										
TOTAL POSITIONS										

ACTIVITY: SYSTEMS MANAGEMENT
 Program: HUMAN SERVICES ADMINISTRATION
 Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

To provide a full range of systems development services in the area of information management including feasibility studies, system analysis, design, and implementation for the department's divisions.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Information management systems Divisions using major computer systems technology	28	28	30	32
	10	14	16	18

ACTIVITY DESCRIPTION

This activity assists the programs and supporting operations by developing and maintaining Information Management Systems for collecting and processing data. Accountability for large and complex human service programs depends on computerized recording of essential data about persons and families served and benefits provided. This activity covers both currently operating systems and those which need to be developed in the counties, state regional treatment centers and nursing homes, and in the Department itself. Such systems include data exchange and interface with federal, other state agencies, and local governmental units.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Counties using common systems:				
Grant payment system	65	70	70	70
GAMC payment system	86	86	86	86
Child support system	42	46	87	87
Community services information system	77	77	77	77
Hospital subsystem developed	08	10	10	10

ACCOMPLISHMENTS AND GOALS:

Accomplishments: During this biennium this activity:

1. Implemented in 18 additional counties the new Child Support Collection System.
2. Installed a new system for Family Care Licensing.
3. Designed and completed a new Long Term Care Management system. This system will be installed during second quarter F.Y. 1989.
4. Updated the accounting on computer processing done for the divisions of the Department of Human Services. This update allows the activity author to have more complete information related to line item 17 expenditure for budgetary purposes.
5. Completed a long range information system plan to support the human service delivery system.
6. Completed a major contract for new office automation equipment and software.

Goals: During the biennium this activity will:

1. Provide maintenance for the new Child Support Enforcement System and the Long Term Care Management System.
2. Support office automation for the department.
3. Provide systems support for the development of a new Social Services Information System.
4. Upgrade the agency's long range system plan.
5. Establish a data dictionary for departmental use to promote consistency of data.
6. Complete the development and implementation of a department Master Index.
7. Write a new Human Service and Department of Revenue interface program to maximize federal reimbursement.
8. Established data base standards to improve integrity and sharing of data.
9. Completed establishment and use of random moment samples on the functions that staff perform so as to simplify and improve cost recovery from funding sources.
10. Piloted electronic mail at counties.
11. Installed new on-line recipient data file for state Children's Health Program.

REVENUE:

This activity earns federal administrative reimbursement at the rate of 65.8% of its expenditures. These reimbursements are deposited into the state general fund.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested to accomplish the goals of this activity except for change detailed in the following change pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : HUMAN SERVICES ADMINISTRATION
BUDGET ACTIVITY : SYSTEMS MANAGEMENT

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	531	737	731	317	1,048	731	731	317	1,048	731
EXPENSES/CONTRACTUAL SRVCS	33	115	115	1,180	1,295	115	115	1,088	1,203	115
MISC OPERATING EXPENSES	20	11	11	0	11	11	11	0	11	11
SUPPLIES/MATERIALS/PARTS	17	11	11	736	747	11	11	333	344	11
CAPITAL EQUIPMENT	62	8	8	1,478	1,486	8	8	771	779	8
TOTAL EXPENDITURES	663	882	876	3,711	4,587	876	876	2,509	3,385	876
CHANGE REQUESTS:										
B TELECOMM MGMT AMD INTERAGENCY PLANNING				455		0		455		0
B AUTOMATE ADMINISTRATIVE OPERATIONS				3,256		0		2,054		0
TOTAL CHANGE REQUESTS				3,711		0		2,509		0
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	663	882	876	3,711	4,587	876	876	2,509	3,385	876
TOTAL FINANCING	663	882	876	3,711	4,587	876	876	2,509	3,385	876
POSITIONS BY FUND:										
GENERAL	14.0	13.0	13.0	9.0	22.0	13.0	13.0	9.0	22.0	13.0
TOTAL POSITIONS	14.0	13.0	13.0	9.0	22.0	13.0	13.0	9.0	22.0	13.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: SYSTEMS MANAGEMENT
 PROGRAM: HUMAN SERVICES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: TELECOMMUNICATIONS MANAGEMENT AND INTERAGENCY PLANNING

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 455	3.0	\$ 455	3.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above staff and funds to support and coordinate implementation of telecommunications services with major systems projects and other state agencies. This request supports the department's systems initiative.

DESCRIPTION/BACKGROUND:

The DHS requests a position for continued work on the information and Referral Information System (IRIS) currently underway at the Department of Jobs and Training. The 2 agencies are currently under a legislative mandate to develop an information system that facilitates client information and referral and eases access to services. This position would work on the IRIS development team and continue the work underway.

DHS requests \$300,000 to continue joint planning activities with the Department of Administrations's information Policy Office (IPO). The funds continue development of statewide telecommunications standards. This request recognizes that the development underway in DHS will effectively double the size of the state network, necessitating joint planning with the Department of Administration.

The department is engaged in major telecommunication system efforts including child support enforcement and automation of income maintenance eligibility (MAXIS) that will significantly increase the number of terminals in the state network. Up to 15,000 new devices in all 87 counties are expected to be connected to the network over the next 3 years. Network telecommunications management is a centralized function that must be adequately maintained. Two positions are requested to maintain the central site telecommunications in DHS. Project funding will support only minimal efforts for network design and only those efforts specifically related to the project. A separate project is required to review consolidated telecommunications network requirements and joint interagency network requirements.

STATISTICS: F.Y. 1988 F.Y. 1989 F.Y. 1990 F.Y. 1991

Number of County Employees with Telecommunication to DHS	200	300	600	3,000
Number of Providers	-0-	-0-	-0-	10,000

RATIONALE:

This request will allow the department to effectively manage the ongoing use of terminals (about 15,000) by counties and medical providers. The need is to develop a statewide telecommunications architecture in cooperation with the Information Policy Office and the Inter Technologies Group.

BASE: None.

LONG RANGE IMPLICATIONS: (Dollars in Thousands)
 F.Y. 1992 F.Y. 1993

General Fund Expenditures	\$ 455	\$ 455
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GOVERNOR'S RECOMMENDATION:

This request has been reviewed and not recommended for funding by the Information Policy Office (IPO). The Governor concurs with the IPO recommendation.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: SYSTEMS MANAGEMENT
 PROGRAM: HUMAN SERVICES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: AUTOMATE ADMINISTRATIVE OPERATIONS

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request General Fund	\$ 3,256	6.0	\$2,054	6.0
Governor's Recommendation General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds and positions to integrate central office and state-operated residential facility staff onto an automated administrative network. This request supports the department's systems initiative.

DESCRIPTION/BACKGROUND:

- The department's plans for its network and hardware architecture is based upon strong technical support for staff at a work station level. Plans call for intelligent work stations with midrange and mainframe connectivity. Long-range integration of human services staff at all levels is envisioned. The other systems, such as MAXIS and Child Support, will implement the wide-area network and county worker connections while this request expands integrated functions at an administrative level.
- The major expansion of the department's automated operational support for public assistance, child support, state-operated residential facilities, medical assistance, and other areas will serve nearly 15,000 workers throughout the state. The department requests staff and funds to link administrative staff in central office and state-operated residential facilities to each other and to the operations they manage.
- Currently, a minority of the department's staff have automated support. Stand-alone personal computer (PC) and isolated networks provide support to single workers or small work groups. Integrated administrative support requires users be linked to broader networks. Creating those links requires the requested funds for network hardware, software, system utility support (such as electronic mail, file transfer and conversion, security, etc.), work stations, and training.
- The department will expand financial management automation in a number of areas. In its day-to-day fiscal processing the Financial Management Division (FMD) uses stand alone personal computers, mini-computers connected to existing Department of Human Services (DHS) systems, and terminals connected to Statewide Systems.

The Financial Management Division has undertaken a major project to reform and simplify the many DHS-county financial reporting systems. Working with the Department of Administration, the division is attempting to consolidate these financial systems.

Stand alone systems that FMD uses daily include county expenditure re-

ports and random moment samplings, cash receipts, accounts receivable, federal grant award management, federal treasury drawdowns, administrative cost allocations, and indirect cost computations. External systems utilized daily are the Statewide Accounting System (SWA), Fixed Asset Record Management System (FARMS), Procurement Automated Logistics System (PALS), Personnel Payroll System (PPS), and the Biennial Budget System (BBS).

FMD staff have done a good job of piecemeal automation but with development and installation of the major DHS systems progressing well, the time is right for the enhancement further automation and integration (networking) of the Division's systems and operating methods.

- The Children's Services Division needs automated plan documents, fiscal and program reports, monitoring reports required by state or federal law, and on-line communication with counties.
- Developmental Disabilities Guardianship records and functions need automation expansion.
- Staff are requested to support system installation, user training, network operations, data sharing and users' system consulting, and technology evaluation and purchasing.
- Implementation projects will be at work group levels, automating whole units or divisions at one time, providing appropriate hardware, software and network links. These projects will provide necessary connections and software for projects requiring extensive data sharing.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Central Office				
Number Stand alone of Users	350	475	650	850
Number of Integrated Users	-0-	90	300	850
Residential Facilities				
Number Stand alone of Users	50	100	200	300
Number of Integrated Users	-0-	20	100	250

RATIONALE: The Systems Management Division has the support responsibilities for central office and state-operated residential facility automation. As major automation projects expand computer and network support to workers in counties and facilities, the central office workforce will require more than simple word processing and stand-alone systems. A new support structure must promote the integration of administrative and operational functions. This new type of support is beyond the scope of any other projects in the department

(Dollars in Thousands)

BASE:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 200	\$ 200	\$ 200	\$ 200

(Dollars in Thousands)

LONG RANGE IMPLICATIONS:	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 2,054	\$ 2,054

GOVERNOR'S RECOMMENDATION: This request has been reviewed and not recommended for funding by the Information Policy Office (IPO). The Governor concurs with the IPO recommendation.

ACTIVITY: MANAGEMENT SERVICES **1990-91 Biennial Budget**
Program: HUMAN SERVICES ADMINISTRATION
Agency: HUMAN SERVICES, DEPARTMENT OF

ACTIVITY OBJECTIVE:

To manage the Human Services Building and provide office support functions.

ACTIVITY DESCRIPTION:

This activity manages a large number of administrative functions in the areas of:

1. Facility management: Includes management of the Human Services Building. This includes coordination of all aspects of the building such as maintenance, security, rental rates, parking, remodeling.
2. Office space planning: Includes modifying the office space to adapt to the changing needs of the program staff. This includes reassignment of space among the various organizational units, the reconstruction of walls, and the reconfiguration of paneling.
3. Telecommunication services: Includes the installation and management of wiring systems for computers and telephones and the management of the department-owned telephone systems.
4. General office services: Includes media services and equipment, graphics services, forms management, centralized purchasing, inventory management, records management, mail, printing, travel arrangements for employees, equipment repair services, central word processing, information desk and visitor services, photocopy services, surplus property services, recycling services.

ACCOMPLISHMENTS AND GOALS:

1. This activity was responsible for coordinating the consolidation of the department into the Human Services Building. For the first time in 25 years, the department is located under one roof. Previous separation of the agency offices created serious problems in communications among staff, supervision of staff, public accessibility and convenience, as well as increasing the problems of day-to-day administration and program coordination.
2. This activity was responsible for coordinating the acquisition of a department-owned telephone system. This system will pay for itself in 15 months by eliminating leasing costs to telephone companies.
3. This activity introduced the usage of office modular furniture systems to the agency as a part of the office consolidation. Use of these systems enabled the agency to reduce its needed space by 15-20%, or approximately \$150,000 per year in rental costs. Most importantly, nationally recognized studies of office productivity indicate that this systems furniture increases employee productivity by 15%.
4. This activity has introduced several new technologies such as desk top publishing and electronic document transfer. These technologies provide for professional looking publications and graphics while avoiding the use of more expensive design vendors. These items greatly aid the agency in its public education efforts.

ACTIVITY STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Lines typed by Document Center (in 000's)	400	400	400	400
Requests for AV services	900	1,000	1,500	2,000
Forms distributed (in millions)	26	28	35	50
Requests for purchase processed	3,700	4,300	5,000	5,000
Number of fixed assets inventory items	9,500	8,500	10,000	15,000
Requests for graphics services	1,200	1,600	2,000	2,500

REVENUE:

This activity earns federal administrative reimbursement at the rate of 38.2% of expenditures. These reimbursements are deposited into the state general fund.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity except for the change detailed on the following change pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : HUMAN SERVICES ADMINISTRATION
BUDGET ACTIVITY : MANAGEMENT SERVICES

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	786	723	760	63	823	760	760	63	823	760
EXPENSES/CONTRACTUAL SRVCS	2,043	2,370	3,719	102	3,821	3,719	3,820	102	3,922	3,820
MISC OPERATING EXPENSES	211	396	396	4	400	396	396	5	401	396
SUPPLIES/MATERIALS/PARTS	325	65	65	1	66	65	65	1	66	65
CAPITAL EQUIPMENT	132	12	12	32	44	12	12	0	12	12
TOTAL EXPENDITURES	3,497	3,566	4,952	202	5,154	4,952	5,053	171	5,224	5,053
CHANGE REQUESTS:										
										FUND
B TELEPHONE SPEC & GRAPHICS SPEC				102		0		71		0
B ADAPTING OFFICE SPACE				100		0		100		0
TOTAL CHANGE REQUESTS				202		0		171		0
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	3,422	3,487	4,873	202	5,075	4,873	4,974	171	5,145	4,974
STATUTORY APPROPRIATIONS:										
FEDERAL	75	79	79	0	79	79	79	0	79	79
TOTAL FINANCING	3,497	3,566	4,952	202	5,154	4,952	5,053	171	5,224	5,053
POSITIONS BY FUND:										
GENERAL	22.0	22.0	22.0	2.0	24.0	22.0	22.0	2.0	24.0	22.0
FEDERAL	3.0	3.0	3.0	0.0	3.0	3.0	3.0	0.0	3.0	3.0
TOTAL POSITIONS	25.0	25.0	25.0	2.0	27.0	25.0	25.0	2.0	27.0	25.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MANAGEMENT SERVICES
 PROGRAM: HUMAN SERVICES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: TELEPHONE SPECIALIST AND GRAPHICS SPECIALIST

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 102	2.0	\$ 71	2.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to keep the department's telephones operating and provide clients, county staff, legislators, and the public with more understandable information.

DESCRIPTION/BACKGROUND:

The telephone, with voice, and the computers, with data, are essential to the functioning of the department. Employees need to communicate with each other, with staff in state-operated residential facilities, with staff at the county level, and with the public and clientele. Telecommunications are vital to this communication. The telecommunications scenario is complex. The divestiture of the telephone industry, has created vendor coordination difficulty. The department owns nearly 1,000 telephone devices acquired from various vendors; the landlord owns the wiring systems; U.S. West Communications provides the dial tone; and yet another organization provides long distance dialing capability. Service installation and service changes require the department to communicate with a number of agencies. When system malfunctions occur, the responsibility for correcting the problem must be identified. One telecommunications specialist is essential to manage the department's systems and keep it operating at all times.

The department requests funds for a graphics specialist and equipment to establish a small graphics unit. These resources, in conjunction with the existing equipment and staff, will enable this activity to design and print "plain English" materials as required by Laws of Minnesota, 1988, ch. 689, art. 2, sec. 123. The department must redesign many of its publications and improve information presented to county agencies and/or clients. The design or "packaging" of a product, in this case information on programs, plays an important role in its acceptance and use. This unit will assist the department in "packaging" and presenting its information clearly.

Although the department produces more printing than any other state agency, it has only 1 person to coordinate general printing while other agencies of comparable size may have as many as 12 employees in this function. In addition, the design service provided by this unit is cost effective. In 1 year this unit has saved the department approximately \$120,000 in design and audio visual charges, estimated at the hourly rate charged by most design studios.

RATIONALE:

This request is necessary for the agency to keep telephones operating. If these systems fail, the agency ceases to function in any effective manner. This request is also necessary for the agency to present programs in a clear, concise, and understandable manner to the public, to clientele, to other agencies and legislators at the federal, state, and local levels.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 28	\$ 28	\$ 28	\$ 28

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 71	\$ 71

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The department may carry out this activity within current staff resources.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MANAGEMENT SERVICES
 PROGRAM: HUMAN SERVICES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: ADAPTING OFFICE SPACE FOR DISABLED AND NON-DISABLED EMPLOYEES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 100	-0-	\$ 100	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to provide "reasonable accommodation" for disabled employees and adapt office space to meet disabled and non-disabled employees' needs.

DESCRIPTION/BACKGROUND:

1. Disabled employees need special provisions in their work area.

Support Services: sign language interpreters, readers, braille translations;

Adaptive devices: telephone amplifiers, "talking calculators", computer screen enlargers, telecommunication device for the deaf (TDD);

Job site modification: adjustments to furniture or equipment or other building modifications.

The department, with its programs focused on helping Minnesota citizens who are in need, feels a special incentive to provide reasonable accommodations which would enable disabled persons to be gainfully employed.

Expenditures from this fund would be made in accordance with the department's reasonable accommodation policy.

2. The department is using office systems furniture. This furniture has allowed the agency to reduce the amount of space it needs by 15%. In addition, the furniture is very flexible, allowing changes to meet individual employee needs. The department requests funds to contract for these modifications as needed. A contract is necessary as there are no state employees who have the technical expertise to plan and design the necessary reconfigurations or install new items.

RATIONALE:

This request is necessary to adapt office space and furnishings to the special needs of employees. The federal Rehabilitation Act (Section 504) and Chapter 363, Minnesota Human Rights Act, require the state to provide reasonable accommodations for disabled individuals.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	<u>(Dollars in Thousands)</u>	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 100	\$ 100

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The department may fund this request within current resources.

ACTIVITY: PERSONNEL
 Program: HUMAN SERVICES ADMINISTRATION
 Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

To provide direction, guidance, assistance, and service to managers and supervisors to assure effective, efficient, and legal use of the department's (central office and residential facilities) and Merit System counties' human resources.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Job class decisions approved by DOER	98%	98%	98%	98%
Step 3 labor contract grievances resolved	55%	55%	60%	60%
Facility affirm. action disparities corrected	42%	43%	44%	45%
Cent off affirm. action disparities corrected	42%	43%	45%	47%
Workers' comp incident rate reduction	0%	5%	10%	15%

ACTIVITY DESCRIPTION:

This activity, which encompasses personnel, labor relations, training, affirmative action, workers' comp/safety/wellness, and the Minnesota Merit System, provides assistance to department and county welfare/human services managers/supervisors and promotes fair and equitable treatment of staff. Specific functions include: human resource planning; recruitment; examination development and administration; job classification; Merit System salary plan development; salary and benefits administration; employee counseling; assistance to managers in solving personnel problems; new employee orientation, staff development, and training; affirmative action planning and implementation recruitment, compliance with Equal Employment Opportunity laws, and discrimination complaint handling; labor contract negotiation and administration; workers' comp cost control administration/oversight; compliance with safety laws and standards; development of policies/rules; and record keeping.

ACCOMPLISHMENTS AND GOALS:

Accomplishments:

1. Reduced employee injuries and increase in workers' comp costs through injured worker return-to-work plans and accident prevention programs.
2. Started implementation of a human resource information system (HRIS) to provide managers with up-to-date information on which to base their decisions.
3. Established 31 new classes and completed class studies affecting 65 positions in central office and facilities resulting in equitable and cost effective employee job classification and pay.
4. Developed departmentwide training proposal to coordinate and improve training offered to clientele, produced 4 training reports to meet Welsh settlement, produced 24 training video tapes.
5. Participated in 5 statewide and 10 supplemental labor contract negotia-

- tions and served on 8 labor/management committees resulting in more informed labor/management relations.
6. Established expanded certification of protected group members to county agencies and expanded regular certification of eligibles from 7 to 15.
 7. Completed 18 exams for central office classes, 15 for facility classes and 12 for Merit System classes, to aid managers in effective job selection.
 8. Made comparability adjustments to 51 classes to equate salaries with evaluation results.
 9. Developed personnel, labor relations, affirmative action, training, safety and health policies to provide managers with a framework for making consistent, legal decisions.
 10. Provided comprehensive personnel and labor relations services to veteran's homes to improve operations.
 11. Developed and presented Affirmative Action/Equal Employment Opportunity training for employees of facilities and Merit System counties; revised central office and facility Affirmative Action plans, established hiring goals and action steps; established and piloted a Minority Recruitment Project; participated in a joint project with Department of Employee Relations to employ developmentally disabled students.

Goals:

1. Reduce employee injuries and workers' comp costs.
2. Complete installation of HRIS.
3. Serve on contract negotiating teams.
4. Continue development of policies/rules.
5. Develop and coordinate training to meet department directives and goals.
6. Conduct 2 class studies involving 500 jobs.
7. Revise 10 exams for agency-specific classes.
8. Continue to adjust Merit System salary schedules until pay equity is achieved.
9. Implement personnel aspect of facility downsizing law.
10. Expand recruitment efforts for shortage health care jobs.
11. Expand Minority Recruitment Project.
12. Implement Merit System Affirmative Action improvements.
13. Establish Merit System rules for Affirmative Action and Equal Employment Opportunities.
14. Increase representation of protected groups in the department's workforce.
15. Expand Affirmative Action initiatives begun in F.Y. 1988.

ACTIVITY STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Central office/facility job audits	584	785	827	840
Merit System applicants	8,574	8,700	8,800	8,900
Merit System job audits	821	900	900	900
Merit System classes revised/developed	24	25	25	25
Workers' comp costs	4,899,776	4,500,000	4,500,000	4,000,000
Human Rights charges received	13	13	14	14
Participants in Training Courses	184,000	186,000	188,000	190,000
Step 3 labor contract grievances received	270	270	301	270

ACTIVITY: PERSONNEL
(Continuation)

1990-91 Biennial Budget

Program: HUMAN SERVICES ADMINISTRATION
Agency: HUMAN SERVICES, DEPARTMENT OF

REVENUE:

This activity earns federal administrative reimbursement at the rate of 38.2% of expenditures. These reimbursements are deposited into the general funds.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested to accomplish the goals of this activity except for the changes detailed on the following change page.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : HUMAN SERVICES ADMINISTRATION
BUDGET ACTIVITY : PERSONNEL

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	824	775	834	104	938	915	834	104	938	915
EXPENSES/CONTRACTUAL SRVCS	90	55	55	666	721	720	55	756	811	810
MISC OPERATING EXPENSES	38	43	43	3	46	45	43	3	46	45
SUPPLIES/MATERIALS/PARTS	17	9	9	1	10	10	9	0	9	9
CAPITAL EQUIPMENT	8	4	4	17	21	8	4	0	4	4
TOTAL EXPENDITURES	977	886	945	791	1,736	1,698	945	863	1,808	1,783
CHANGE REQUESTS: FUND										
B AFFIRMATIVE ACTION CLERICAL STAFF				38		0		25		0
B RTC NEGOTIATIONS - STAFF TRAINING				663		663		753		753
B RTC NEG - C T S				90		90		85		85
TOTAL CHANGE REQUESTS				791		753		863		838
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	907	874	933	791	1,724	1,686	933	863	1,796	1,771
STATUTORY APPROPRIATIONS:										
FEDERAL	70	12	12	0	12	12	12	0	12	12
TOTAL FINANCING	977	886	945	791	1,736	1,698	945	863	1,808	1,783
POSITIONS BY FUND:										
GENERAL	19.0	19.0	19.0	3.0	22.0	21.0	19.0	3.0	22.0	21.0
FEDERAL	0.5	0.5	0.5	0.0	0.5	0.5	0.5	0.0	0.5	0.5
TOTAL POSITIONS	19.5	19.5	19.5	3.0	22.5	21.5	19.5	3.0	22.5	21.5

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: PERSONNEL
 PROGRAM: HUMAN SERVICES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: AFFIRMATIVE ACTION CLERICAL STAFF

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 38	1.0	\$ 25	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above position to support affirmative action initiatives in the areas of recruitment, training, monitoring and technical assistance. The objective is to upgrade implementation of affirmative action plans in the department's residential facilities and merit system county welfare/human service agencies.

DESCRIPTION/BACKGROUND:

The Affirmative Action Office has management, planning, implementation and monitoring responsibility for affirmative action and equal employment opportunity (AA/EEO) programs that affect 7200 DHS and 2900 Merit System county welfare/human service agency employees. The office is faced with expanded state and federal AA/EEO demands, including sanctions for non-compliance, requirements to provide reasonable accommodation and to increase employment of handicapped persons.

Several program initiatives will require clerical support. Intensified recruitment will include targeting projects with minority and handicapped communities, evaluation and expansion of a S.T.E.P. Minority Health Sciences Recruitment Pilot Program and establishment of a computerized resume bank. Specialized efforts will be made to increase representation of minority social workers in Merit System county welfare/human service agencies.

Monitoring system implementation will involve ongoing tracking of affirmative action hiring opportunities, streamlining of AA/EEO record-keeping and discrimination complaint activity monitoring.

Improvements will be made in the quantity and quality of management training and technical assistance to facilities and Merit System agencies. These efforts will enable the department to fully comply with statutory requirements, to prevent or correct discriminatory practices, and to increase workforce representation of protected groups.

The requested funds include salary and acquisition of a personal computer to implement monitoring systems.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Opportunities Tracked	N/A	N/A	820	820
Management Training Participants	200	350	450	550
Monitoring Reviews	N/A	10	30	40

RATIONALE:

There is currently no permanent clerical support for the office's activities. Without this support program initiatives cannot be carried out and the department risks non-compliance with AA/EEO requirements. Clerical staff support is critical in order for the department to develop and maintain a proactive and effective AA/EEO program.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	<u>(Dollars in Thousands)</u>	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 25	\$ 25

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The department may carry out this activity within current staff resources.

ACTIVITY: REIMBURSEMENT DIVISION **1990-91 Biennial Budget**
Program: HUMAN SERVICES ADMINISTRATION
Agency: HUMAN SERVICES, DEPARTMENT OF

ACTIVITY OBJECTIVE:

To manage a cost effective system of collection and reimbursement for the cost of care provided to clients at the regional treatment centers (RTCs) and state nursing homes; to produce a comprehensive cost accounting system for the RTCs; and to implement a billing and collection program for the Consolidated Chemical Dependency Treatment Fund (CCDTF).

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Total collections (000's)	\$ 165,920	\$ 169,146	\$ 162,623	\$ 161,919
Total collections deposited in the MA Fund	\$ 159,232	\$ 155,046	\$ 148,523	\$ 147,819
MI-MR RTC program	\$ 139,555	\$ 136,046	\$ 129,023	\$ 128,319
State Nursing Home programs	\$ 18,000	\$ 19,000	\$ 19,500	\$ 19,500
CD program pre-CCDTF	\$ 1,677			
RTC CD program collections	\$ 6,590	\$ 11,700	\$ 11,700	\$ 11,700
CCDTF third party claim	\$ 98	\$ 2,400	\$ 2,400	\$ 2,400
Activity cost per dollar collected	\$.011	\$.013	\$.014	\$.014

F.Y. 1990 and F.Y. 1991 projections are based on the census estimates and appropriation for F.Y. 1989.

ACTIVITY DESCRIPTION:

This activity bills and collects for the cost of RTC and state nursing home care from patients, their relatives, and public and private third parties. All collections, other than CD, are deposited in the department's Medical Assistance fund, which is a dedicated account.

The major functions of this activity are to:

1. Conduct financial investigations to maximize reimbursement.
2. Calculate rates and prepare cost reports for federal reimbursement.
3. Administer the CCDTF billing and collection program in an efficient, effective, and professional manner.
4. File regulatory reports for federal reimbursement.
5. Provide fiscal management support and consultation to Senior Management and Facility Chief Executive officers.
6. Bill the responsible payers and collect the amounts due.
7. Take legal action against delinquent payers as circumstances warrant.
8. File claims against estates for the difference between the costs and the amounts paid.

ACCOMPLISHMENTS AND GOALS:

This activity exceeded its revenue projections by \$606,000 for the 1986-87 biennium and \$98,000 for F.Y. 1988. The activity implemented the CCDTF billing and collection program for the 87 counties and chemical dependency clients located statewide. The activity has refined the cost accounting system so that routine comprehensive monthly, quarterly, semi-annual, and annual cost reports are produced to assist in the fiscal management of the RTCs.

Goals for the Reimbursement Division are to:

1. Meet or exceed the budget levels of collections designated for the division from federal, state, and private sources.
2. Increase the efficiency of current central and field office collection practices by increasing the levels of automation in its operations.
3. Provide the regional treatment centers with fiscal management support by producing cost control and analysis reports that assist in the efficient management of the operation.

ACTIVITY STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Billing activity level				
MI-MR days billed	1,042,002	1,008,495	1,008,495	1,008,495
Nursing Home days billed	205,692	183,960	183,960	183,960
RTC CD days billed	129,730	107,310	107,310	107,310
TOTAL	1,377,424	1,299,765	1,299,765	1,299,765
CCDTF third party claims	622	1,480	1,480	1,480

LEGISLATIVE ISSUES:

Legislation is being proposed to amend language of M.S. 246.50 setting charges for cost of care in RTCs which will allow the Commissioner to establish reasonable charges for service, per service occasion, rather than per diem, and allow for a percentage margin to be added that includes operation capital and reserve funding.

REVENUE:

Expenditures for this activity are included in rates calculated for the regional treatment centers. Regional treatment center revenues are collected by this activity and are dedicated to the Medical Assistance account by statute. Detail on these revenues is found under the Effectiveness Measures section.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested to accomplish the goals of this activity except for the change detailed on the following change pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : HUMAN SERVICES ADMINISTRATION
BUDGET ACTIVITY : REIMBURSEMENT DIVISION

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	1,377	1,659	1,752	79	1,831	1,831	1,752	79	1,831	1,831
EXPENSES/CONTRACTUAL SRVCS	142	205	205	16	221	221	205	15	220	220
MISC OPERATING EXPENSES	96	177	177	23	200	200	177	28	205	205
SUPPLIES/MATERIALS/PARTS	52	64	64	3	67	67	64	3	67	67
CAPITAL EQUIPMENT	110	41	41	11	52	52	41	0	41	41
TOTAL EXPENDITURES	1,777	2,146	2,239	132	2,371	2,371	2,239	125	2,364	2,364
CHANGE REQUESTS: FUND										
B RTC PER SERVICE CHARGE					52	52		50		50
B SERVICE AND REVENUE RECOVERY PROJECT					80	80		75		75
TOTAL CHANGE REQUESTS					132	132		125		125
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,692	1,811	1,904	132	2,036	2,036	1,904	125	2,029	2,029
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	85	335	335	0	335	335	335	0	335	335
TOTAL FINANCING	1,777	2,146	2,239	132	2,371	2,371	2,239	125	2,364	2,364
POSITIONS BY FUND:										
GENERAL	48.0	48.0	48.0	3.0	51.0	51.0	48.0	3.0	51.0	51.0
SPECIAL REVENUE	6.0	6.0	6.0	0.0	6.0	6.0	6.0	0.0	6.0	6.0
TOTAL POSITIONS	54.0	54.0	54.0	3.0	57.0	57.0	54.0	3.0	57.0	57.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: REIMBURSEMENT DIVISION
 PROGRAM: HUMAN SERVICES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT

REQUEST TITLE: RTC PER SERVICE CHARGES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 52	1.0	\$ 50	1.0
General Fund (MA Grants)	\$ (25)		\$ (75)	
Governor's Recommendation				
General Fund	\$ 52	1.0	\$ 50	1.0
General Fund (MA Grants)	\$ (25)		\$ (75)	

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 246.50

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and position to implement a proposal to amend M.S., sec. 246.50. The amendments would achieve 2 goals:

1. Permit the Commissioner to design and implement a system of charging for the cost of care and treatment on a cost per service basis, rather than the current average anticipated cost per day. The eventual plan and criteria could be used by the Commissioner for the State Operated Community Services (SOCS) rate setting system.
2. Allow the Commissioner the authority to establish a margin of revenue in excess of actual costs. This revenue could be used to fund projects, additional services, and capital funding.

DESCRIPTION/BACKGROUND:

To be fully competitive and integrated into the health care market, state facilities cannot be controlled and confined to a cost driven system of rate setting. The revised statute would give the Commissioner the flexibility to select the best method of establishing charges for the cost of care and treatment at state facilities, and allow the facilities to operate in a manner comparable to private health care providers.

Currently, state facilities are dependent on legislative funding to expand programs and develop projects. With language to allow for revenue excess, state facilities could fund the study, design, testing and implementing of new projects and programs, expand existing programs and services, and provide for unexpected cash flow demands.

RATIONALE:

This request is necessary to authorize the Commissioner to build a reserve for state-operated residential facility operations and to protect them from loss of cash flow or unexpected capital expense.

DHS estimates a \$100,000 increase in collections for the biennium, with \$75,000 of the increased revenue in F.Y. 1991. Actual collections will depend on the implementation of the new rate setting system and the development of SOCS.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 1,720	\$ 1,809	\$ 1,810	\$ 1,810

This statutory change could increase collections in future years if the Commissioner would elect to act at any time after the amendments are passed.

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 50	\$ 50

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: REIMBURSEMENT DIVISION
 PROGRAM: HUMAN SERVICES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: SERVICE AND REVENUE RECOVERY PROJECT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 80	2.0	\$ 75	2.0
General Fund (MA Grants)	(80)		(95)	
Governor's Recommendation				
General Fund	\$ 80	2.0	\$ 75	2.0
General Fund (MA Grants)	(80)		(95)	

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to assist in revenue recovery efforts for all county and local units of government offering social and health care services. The Reimbursement Division will contact state and local units of government to identify potential revenue not currently pursued and propose a unified system of revenue recovery. The intent is to determine what services the county social service agencies currently bill first and third parties, what procedures do the counties use to bill for services, how effective is the collection procedure in actually collecting funds due the county, and what procedures are in place for notifying delinquent payors and collecting on accounts past due. The Reimbursement Division will provide this service to local agencies by contract.

DESCRIPTION/BACKGROUND:

There is no uniform process by which counties and other local units of government can be assured that all potential revenue sources are identified and pursued. With 87 independent counties providing social and health care services, there are a wide variety of procedures and systems used in revenue recovery efforts with an equal variety of efficiency and effectiveness. It is difficult for local agencies to determine the effectiveness of billing current health care reimbursement sources, to become aware of all possible revenue sources, and to effectively pursue all sources.

RATIONALE:

This project is necessary to study, design, and implement a financial proposal for counties and local units of government regarding:

1. the potential to reduce the existing tax burden by increasing revenue from other sources;

2. the scope and magnitude of revenue recovery possibilities; and
3. methods the reimbursement division can use to assist in service and revenue recovery efforts.

DHS estimates a \$175,000 increase in revenue for this project.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 1,720	\$ 1,809	\$ 1,810	\$ 1,810

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 75	\$ 75

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

PROGRAM: LEGAL AND INTERGOVERNMENTAL PROGRAMS 1990-91 Biennial Budget
AGENCY: HUMAN SERVICES, DEPARTMENT OF

PROGRAM PURPOSE:

To assure department wide policy and program coordination and integration through regulatory, appeal, legislative, monitoring and administrative activities. Major responsibilities of this program are to assure that state and federal laws and rules are observed, agency priorities are established and human service programs are implemented in an integrated, cost-effective and high quality manner throughout the state.

The activities of the program impact 450,000 annual recipients of the agency's human service programs, over 1,000 facilities, 48,000 children in child care, 4,000 residents of regional treatment centers and nursing homes, 87 county social service departments and county boards, as well as community mental health centers, human service professionals, other state agencies, client advocacy groups, consumers, community agencies, and the judicial system.

The program is responsible for the licensure of 1,200 child care centers, 10,000 family child care homes, 4,500 foster homes, the 9 state regional treatment centers, 650 programs for mentally ill, chemically dependent or developmentally disabled persons, 30 adult day care programs, 90 mental health centers, and clinics, 150 developmental achievement centers and 200 outpatient chemical dependency programs.

OPERATIONS :

The program is carried out through 5 activities:

1. Appeals and Contracts. The Appeals section provides administrative fair hearings for applicants and recipients of income maintenance and social service programs who appeal local agency actions that affect their benefits. This function is established in M.S., sec. 256.045, and is required under both federal and state law and rule. Operations of the Appeals section are monitored by federal agencies for compliance with timeliness requirements. The Appeals section has continuous contact with county human service agencies and public assistance clients. In addition, the Appeals section provides regular reports to program staff and department managers, and county human service agencies. The department has consolidated the management, development, and execution of all Department of Human Services (DHS) contracts to ensure that all contracts meet legal requirements of state and federal law, are consistent with department goals, and are processed in a timely manner. To carry out this function, the contracts section maintains close working relationships with all DHS program divisions, residential facilities, department managers, the Attorney General's Office, the Departments of Administration and Finance, and contractors and grantees.
2. Rules and Bulletins. By providing administrative and legal review support and direction to department program staff, the Rules and Bulletins Division ensures that department rules are promulgated in compliance with the Minnesota Administrative Procedures Act, comply with state and federal law, and department goals and objectives. The division ensures that informational, instructional and request bulletins, program manual materials and state plans are written in a clear and concise manner and are consistent with adopted statutes and rules. Close ongoing relationships

are maintained between staff of the Rules and Bulletins Division and program staff, department managers, Attorney General's Office, the Revisor of Statutes, and the Office of Administrative Hearings. Rule development also entails the use of rule advisory committees, typically composed of recipients of services or financial aid, representatives or advocates of consumer or provider groups, county boards, county human service agencies, and other state agencies such as the Departments of Jobs and Training, Health Public Safety, Education, and Administration.

3. Legislation and Policy Coordination. This activity provides coordination and management direction for the department to ensure consistency among program operations and monitoring efforts; legislative proposals; efforts under the Welsch Negotiated Settlement; and positions taken on pending federal legislation. The division also provides consultation on data practices and monitors tort claims filed against the department. The major budget initiatives for this activity will be to develop an integrated quality assurance system and to expand the department's capacity to analyze and respond to proposed federal agency actions and legislation. Activity personnel maintain a working relationship with and a full understanding of other department programs, other state agencies, legislators and their staff, professional and community groups, the legal and judicial system, and organizations such as the Association of Minnesota Counties, League of Minnesota Municipalities, and Metropolitan Inter-County Association.
4. Community Services Evaluation. This activity monitors county activities in the delivery of social service programs. The major budget initiative for this activity will be to expand and refine the county monitoring and evaluation system to provide the state and counties with accurate information regarding the uniformity and effectiveness of the social services delivery system administered by county human services agencies in Minnesota. Activity staff work with the quality assurance components of other divisions, county social service agencies and county boards of commissioners.
5. Licensing. Licensing is the operational activity for the Human Services Licensing Act which governs the department's residential and non-residential programs. Setting and enforcing licensing standards through inspections of programs and facilities is a key mechanism in ensuring the uniform and consistent delivery of high quality human service programs. As an operational division, licensing maintains a relationship with other department programs so measurable and consistent service standards are developed and implemented. The division also works regularly with other departments such as Health and Public Safety, with county and private human service agencies, license holders, service consumers, and the Office of Administrative Hearings.

MAJOR POLICY ISSUES:

The need to expand the systems capacity to review, monitor and report on the level and quality of services to vulnerable persons is a major challenge to the human services delivery systems in Minnesota. The responsibility to assure that high quality services are provided in residential and day programs is shared by both providers, consumers, government and the general public. There must be close coordination of all activities conducted by the department.

PROGRAM: LEGAL AND INTERGOVERNMENTAL PROGRAMS 1990-91 Biennial Budget
(Continuation)
Agency: HUMAN SERVICES, DEPARTMENT OF

PROGRAM PRIORITIES:

1. Department Initiatives

As part of the county-state relations initiative, implement an effective social services monitoring system which provides reliable data to county human service agencies, the department, the general public, and the Legislature.

As part of the quality assurance initiative, develop and implement a coordinated system which monitors and provides information on the quality of services in community-based programs.

2. Other Program Priorities

Maintain the timely disposition of all appeals brought pursuant to M.S. 256.045.

Maintain and improve the timely issuance of all licenses granted pursuant to M.S. 245A.

Monitor, evaluate, and provide responses to the Congressional delegation on all major pieces of federal human services legislation which affect Minnesota.

Continue to monitor and track the development, execution, and evaluation of all contracts entered into by the department.

Continue to develop clear, legally-enforceable rules consistent with state and federal laws and department goals.

GOVERNOR'S RECOMMENDATION:

The Governor recommends a BASE of \$7,166,000 and a biennial increase of \$1,884,000 for the F.Y. 1990-91 budget. Details for increased funding can be found on the following budget activity CHANGE request pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : LEGAL AND INTERGOVERNMENTAL

ACTIVITY EXPENDITURES:	F.Y. 1990						F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
APPEALS AND CONTRACTS	607	683	695	152	847	847	695	152	847	847	
B APPEALS SUPPORT STAFF & TRANSCRIPTS GEN				56		56		56		56	
B RTC NEGOTIATION - SOCIAL SERV APPEALS GEN				96		96		96		96	
RULES AND BULLETINS	372	401	427	0	427	427	427	0	427	427	
LEGISLATION & POLICY COORDINATION	264	316	353	847	1,200	353	353	841	1,194	353	
A ATTORNEY GENERAL AND RELATED COURT COSTS GEN				536		0		563		0	
B FEDERAL LIAISON GEN				66		0		64		0	
B QUALITY ASSURANCE INITIATIVE GEN				245		0		214		0	
COMMUNITY SERVICE EVALUATION	404	355	350	546	896	696	350	537	887	678	
B CSE-STAFF COUNTY MONITORING GEN				374		174		322		113	
B RTC NEGOTIATION - QUALITY COMMUN CARE GEN				172		172		215		215	
LICENSING	2,035	2,287	2,335	485	2,820	2,686	2,335	870	3,205	2,890	
B APPLICANT BACKGROUND STUDY STAFF GEN				100		0		100		0	
B INCREASED LICENSING STAFF FOR CHILD CARE GEN				165		230		440		225	
B RTC NEGOTIATION - LICENSE FACILITIES GEN				220		121		330		330	
TOTAL EXPENDITURES	3,682	4,042	4,160	2,030	6,190	5,009	4,160	2,400	6,560	5,195	
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	3,028	3,465	3,583	2,030	5,613	4,432	3,583	2,400	5,983	4,618	
STATUTORY APPROPRIATIONS:											
SPECIAL REVENUE	195	75	75	0	75	75	75	0	75	75	
FEDERAL	459	502	502	0	502	502	502	0	502	502	
TOTAL FINANCING	3,682	4,042	4,160	2,030	6,190	5,009	4,160	2,400	6,560	5,195	

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : LEGAL AND INTERGOVERNMENTAL

SOURCES OF FINANCING:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
POSITIONS BY FUND:										
GENERAL	62.0	75.0	75.0	26.0	101.0	90.0	75.0	33.0	108.0	93.0
SPECIAL REVENUE	2.0	2.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0
FEDERAL	20.0	12.0	12.0	0.0	12.0	12.0	12.0	0.0	12.0	12.0
TOTAL POSITIONS	84.0	89.0	89.0	26.0	115.0	104.0	89.0	33.0	122.0	107.0

ACTIVITY: APPEALS AND CONTRACTS
 Program: LEGAL AND INTERGOVERNMENTAL PROGRAMS
 Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

1. Appeals: To adjudicate disputes between county human service agencies and recipients of income maintenance and social service programs through the administrative appeal procedure established by M.S. sec. 256.045.
2. Contracts: To provide centralized control over the department's contracting procedures and contract drafting in order to assure that contracts meet all legal requirements of state and federal law, are consistent with department goals, and are processed in a timely manner.

ACTIVITY DESCRIPTION:

1. Appeals: This activity conducts evidentiary hearings to determine the facts and draw conclusions of law affecting human service applicants and recipients whose benefits have been denied, terminated, or otherwise adversely affected by county human service agency actions. These hearings are held to protect the due process rights of recipients in compliance with the United States Supreme Court decision in Goldberg v. Kelly. Hearings are held through telephone conference calls, or are heard around the state on a "circuit-rider" basis to permit recipients and local agencies to participate.
2. Contracts: The department enters into approximately 600 contracts per year. This activity reviews and approves all draft contracts prior to execution; processes all final contracts; prepares the department's annual contract plan, quarterly socially economically disadvantaged/small business reports, and provides other contract related information; monitors department compliance with the contract compliance requirements under the Minnesota Human Rights Act; and provides contract manual updates and annual training for program managers and staff who are responsible for contracts.

ACCOMPLISHMENTS:

1. Appeals:
 - a. The percent of final decisions of the state agency that were appealed to district court was reduced 50% from F.Y. 1984 to F.Y. 1988, due to improved quality of decisions and proper application of the law.
 - b. The percent of timely appeals decisions in expedited Food Stamp (FS) cases was increased from 35% in F.Y. 1986 to 90% in F.Y. 1988, due to improved efficiency.
2. Contracts:
 - a. Time required for review and approval as to form and execution by the Attorney General's Office was reduced from over 30 days in F.Y. 1986 to under 7 days in F.Y. 1988.
 - b. The percent of contracts signed and encumbered after the contractual services have begun was reduced from 98% in F.Y. 1986 to 10% in F.Y. 1988.

GOALS:

1. Appeals: Major trends currently underway in the operation of this activity are:

- a. Management of an increase in the number of different types of appeals, and length and complexity of appeals.
- b. Expansion of use of telephone hearings from 4 to 10 counties as a means of reducing costs and improving efficiency.
- c. Introduction of automated case tracking and retrieval system.
- d. Improved information to program staff and local agency staff on the major issues appealed to the state agency through the use of automated issue codes.
- e. Improved timeliness of local agency handling of appeals by providing quarterly data to counties that are experiencing delays in the process.
- f. Revision of client forms and notices in plain English.

2. Contracts: Major trends currently underway in the operation of this activity are:
 - a. Increased use of measurable, performance-based contract criteria.
 - b. Shorter contract processing time, and reduced number of contracts signed and encumbered after the contractual services have begun.
 - c. Development of automated contract tracking system to allow management easier access to information on contracts, and contract evaluations.

ACTIVITY STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
1. <u>Appeals:</u>				
Total Number of Appeals *	2,296	2,365	2,528	2,606
AFDC Appeals	607	625	669	689
MA Appeals	664	684	732	754
FS Appeals	600	618	661	681
GA/WR Appeals	336	346	370	381
SS Appeals	89	92	98	101
2. <u>Contracts:</u>				
Total Number of Contracts	600	650	675	700
Central Office	390	400	420	440
Residential Facilities	210	250	255	260

* This number represents the number of formal client requests for a fair hearing received by the department.

REVENUE:

This activity earns federal administrative reimbursement at the rate of 40.4% of expenditures. These reimbursements are deposited into the state general funds.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity except for the change detailed on the following change page.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : LEGAL AND INTERGOVERNMENTAL
BUDGET ACTIVITY : APPEALS AND CONTRACTS

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	541	637	649	103	752	752	649	103	752	752
EXPENSES/CONTRACTUAL SRVCS	19	10	10	26	36	36	10	26	36	36
MISC OPERATING EXPENSES	34	27	27	7	34	34	27	7	34	34
SUPPLIES/MATERIALS/PARTS	9	6	6	16	22	22	6	16	22	22
CAPITAL EQUIPMENT	4	3	3	0	3	3	3	0	3	3
TOTAL EXPENDITURES	607	683	695	152	847	847	695	152	847	847
CHANGE REQUESTS: FUND										
B APPEALS SUPPORT STAFF & TRANSCRIPTS				56		56		56		56
B RTC NEGOTIATION - SOCIAL SERV APPEALS				96		96		96		96
TOTAL CHANGE REQUESTS				152		152		152		152
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	607	683	695	152	847	847	695	152	847	847
TOTAL FINANCING	607	683	695	152	847	847	695	152	847	847
POSITIONS BY FUND:										
GENERAL	14.0	14.0	14.0	3.0	17.0	17.0	14.0	3.0	17.0	17.0
TOTAL POSITIONS	14.0	14.0	14.0	3.0	17.0	17.0	14.0	3.0	17.0	17.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: APPEALS AND CONTRACTS
 PROGRAM: LEGAL AND INTERGOVERNMENTAL
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: APPEALS SUPPORT STAFF AND TRANSCRIPT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 56	1.0	\$ 56	1.0
Governor's Recommendation				
General Fund	\$ 56	1.0	\$ 56	1.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and position to provide for permanent funding for staff to maintain the appeals data base, to meet increasing costs for transcripts of appeal hearings, and to allow required distribution of appeal decisions to affected parties.

DESCRIPTION/BACKGROUND:

The scheduling of hearings, tracking of appeals, and closing of case files was previously performed manually. Federal law requires the department to issue food stamp (FS) appeal orders within 60 days of the date the client files the appeal with the county or state agency. As the number and complexity of appeals increased, it became impossible to meet additional federal requirements concerning appeals without the development of automated systems to track appeals. These systems are now semi-automated, allowing the department to meet federal timeliness requirements; produce federal appeals audit reports; and provide information to program staff and local agency staff on the number of appeals, major appeal issues, and timeliness of appeals. As a result, the percent of timely appeal decisions in expedited FS cases increased from 35% in F.Y. 1986 to 90% in F.Y. 1988.

The proposed change will enable the Appeals and Contracts Division to continue to locate and track the status of appeals files; produce federal audit reports; report to counties regarding timeliness of appeals; develop and produce reports on major appeals issues as they develop, using standardized issue codes, and to maintain the data base on all appeals heard by the department.

Under M.S., sec. 256.045, subd. 7, any party dissatisfied with an appeal decision may seek judicial review. When a case is appealed to district court, the department is required by law to prepare a transcript of the hearing that was conducted by the referee, and produce copies for all of the parties to the appeal. Beginning in 1987, the department was required to

hear developmental disability case management appeals. Transcripts of case management appeals heard by the department are significantly longer than transcripts of other types of appeals because of the complexity of the issues involved. A single case management appeal transcript is typically several hundred pages and may cost \$1,800.

The proposed change will enable the Appeals and Contracts Division to continue to produce transcripts, as required by law, to meet the increased demand for office supplies and materials (forms, paper, and photocopying) without developing a budget deficit at the end of each fiscal year.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Aid to Families with Dependent Children Appeals	607	625	669	689
Medical Assistance Appeals	664	684	732	754
Food Stamps Appeals General Assistance/Work	600	618	661	681
Readiness Appeals	336	346	370	381
Social Services Appeals	89	92	98	101

RATIONALE:

Maintaining the appeals data base is an essential function which, if eliminated, would disrupt scheduling of hearings and closing of case files and threaten the department's ability to meet federal reporting and scheduling requirements. Failure to meet federal timeliness requirements could result in time-consuming responses to federal audits and fiscal sanctions.

Production of transcripts for appeals filed in District Court is not a discretionary function but is required by state statutes. This request is necessary to provide sufficient funds for staff to maintain the data base, and for production of transcripts and appeals decisions in accordance with statutory requirements.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 46*	\$ 51*	\$ -0-	\$ -0-

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General fund Expenditures	\$ 56	\$ 56

* Funding came from other department administrative funds.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. This request will generate \$46,000 for the biennium, which will be non-dedicated receipts to the General Fund.

ACTIVITY: RULES AND BULLETINS
Program: LEGAL AND INTERGOVERNMENTAL
Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

To supervise the process and provide administrative legal direction to department staff in promulgating administrative rules in compliance with the requirements of the Minnesota Administrative Procedures Act (APA); consistent with state and federal law and department goals; and to ensure that bulletins, program manual material and state plans are consistent with state rules and state and federal law.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Department proposed rule language supported by Administrative Law Judge's Findings	95%	95%	95%	95%
Procedural defects in promulgating rules under the APA	-0-%	-0-%	-0-%	-0-%

ACTIVITY DESCRIPTION:

The Minnesota Administrative Procedures Act requires rules be promulgated when statutes are not comprehensive enough for state agencies to administer programs. Therefore, almost all new department programs, most legislative changes to existing programs, many federal law changes and court orders must be implemented through administrative rules. The department has 108 rules. This activity works on approximately 35 rules at all times.

This centralized activity affects all persons and organizations impacted by department policy through promulgation of concise, legally enforceable rules. A major focus is to involve the public as rules are drafted. Besides gathering public input and drafting the rules, this activity develops extensive documentation for the rule's provisions (Statement of Need and Reasonableness) and conducts fiscal analysis of a rule's impact. This activity also edits department legislation, commissioner's bulletins and manuals for clarity and legal consistency, submits state plans to the federal government, and edits and approves State Register publications.

ACCOMPLISHMENTS:

This activity has played a key role in saving public monies through development of cost containment rules. The department's position has been upheld in appeals and court more frequently because of clear and more specific rules and more documentation supporting the rules provisions. Extensive use of rule advisory committees has helped develop consensus on rules. Communication between the department and affected parties has been improved through committee meetings, training activities, monthly rule status reports and improved bulletin format.

Within the last biennium, major rules have been developed implementing Welfare Reform, child protection, child care, and Medical Assistance.

GOALS:

Among the efforts in F.Y.s 1990 and 1991 will be the development or amendment of rules governing the mental health system, reimbursement for intermediate care facilities for mentally retarded persons and developmental achievement centers, child care fund distribution, and family foster care.

ACTIVITY STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Rules number adopted or amended	24	25	25	25
Program manual pages number	1,750	2,100	2,000	2,000
Bulletins number	299	290	290	290
State Plans number	93	90	90	90
Rules developed using public advisory rule committees	95%	95%	95%	95%
Rules adopted noncontroversially because rule development process satisfied public concerns	58%	63%	63%	63%

REVENUE:

This activity earns federal administrative reimbursement at the rate of 34.6% of expenditures these reimbursements are deposited into the general fund.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : LEGAL AND INTERGOVERNMENTAL
BUDGET ACTIVITY : RULES AND BULLETINS

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	349	373	399	0	399	399	399	0	399	399
EXPENSES/CONTRACTUAL SRVCS	7	7	7	0	7	7	7	0	7	7
MISC OPERATING EXPENSES	12	13	13	0	13	13	13	0	13	13
SUPPLIES/MATERIALS/PARTS	3	5	5	0	5	5	5	0	5	5
CAPITAL EQUIPMENT	1	3	3	0	3	3	3	0	3	3
TOTAL EXPENDITURES	372	401	427	0	427	427	427	0	427	427
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	372	401	427	0	427	427	427	0	427	427
TOTAL FINANCING	372	401	427	0	427	427	427	0	427	427
POSITIONS BY FUND:										
GENERAL	11.0	11.0	11.0	0.0	11.0	11.0	11.0	0.0	11.0	11.0
TOTAL POSITIONS	11.0	11.0	11.0	0.0	11.0	11.0	11.0	0.0	11.0	11.0

ACTIVITY: LEGISLATION AND POLICY COORDINATION **1990-91 Biennial Budget**
Program: LEGAL AND INTERGOVERNMENTAL
Agency: HUMAN SERVICES, DEPARTMENT OF

ACTIVITY OBJECTIVE:

To coordinate department-wide efforts in the areas of county monitoring/quality assurance, legislation, data practices, tort claims, and compliance with the Welsch Negotiated Settlement.

EFFECTIVENESS MEASURES:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Governor's bill analyses completed within 24 hour deadline	100%	100%	100%	100%
Data practices inquiries responded to within requested time frame	98%	98%	98%	98%
Tort claims reviewed within 10 days of receipt	98%	98%	98%	98%
Negotiated Settlement timelines met (all requirements for termination of federal court jurisdiction should be met by F.Y. 1990.)	100%	100%		

ACTIVITY DESCRIPTION

Legislative Coordination Function: Coordinates agency legislative activities with the Governor and the Legislature and responds to requests for program and fiscal information from the commissioner, the legislature, and the governor.

Special Projects Function: Provides the Commissioner and agency managers with department-wide analyses of policy issues and coordinates special cross-divisional projects.

Data Practices Function: Assists the department and all human services agencies to implement the requirements of the Government Data Practices Act.

Tort Claims Function: Evaluates and processes requests for compensation for damages from the state.

Welsch Compliance Function: Coordinates the Department's implementation of the Negotiated Settlement of the Welsch v. Gardebring court case.

ACCOMPLISHMENTS:

This activity provides the department-wide perspective needed to keep the program division's efforts headed in similar directions. By coordinating and standardizing the department's responses on these department-wide issues, the activity staff have improved the efficiency and effectiveness of the department's efforts overall.

GOALS:

In the next biennium, an information system will be implemented to improve

the tracking of tort claims and efforts to train staff in data practices and the preparation of fiscal notes and legislative analyses will be expanded. Additional efforts will be made to improve the department's ability to give input to our Congressional Delegation and the federal agencies on the effect of proposed policies on Minnesota programs.

As part of the department's quality assurance initiative this activity is proposing the establishment of a unit to integrate existing monitoring and evaluation efforts into a quality assurance system and improve the department's ability to monitor the quality of community-based services.

ACTIVITY STATISTICS:	F.Y. 1988	Estimated F.Y. 1989	Estimated F.Y. 1990	Estimated F.Y. 1991
Department bills submitted to Legislature	12	23	9	20
Human Services related bills tracked	498	525	475	525
Bills analyzed for Governor	27	31	25	30
Fiscal Notes completed	76	90	65	85
Staff receiving data privacy training	1,000	7,000*	1,000	1,000
Tort claims	35	40	45	45
Active tort cases	100	100	110	110
Federal Human Service bills tracked	36	36	36	36
Bills analyzed for the Congressional Delegation	6	6	6	6

* One time increase due to development of new employee handout on Data Practices.

REVENUE:

This activity earns federal administrative reimbursement at the rate of 38.2% of expenditures. These reimbursements are deposited into the state general fund.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity except for the changes detailed on the following pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : LEGAL AND INTERGOVERNMENTAL
BUDGET ACTIVITY : LEGISLATION & POLICY COORDINATION

EXPENDITURES:	F.Y. 1990						F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
DETAIL BY CATEGORY:											
STATE OPERATIONS:											
PERSONAL SERVICES	206	232	269	188	457	269	269	188	457	269	
EXPENSES/CONTRACTUAL SRVCS	43	68	68	583	651	68	68	589	657	68	
MISC OPERATING EXPENSES	9	11	11	30	41	11	11	29	40	11	
SUPPLIES/MATERIALS/PARTS	2	2	2	3	5	2	2	3	5	2	
CAPITAL EQUIPMENT	4	3	3	13	16	3	3	2	5	3	
STATE OPERATIONS	264	316	353	817	1,170	353	353	811	1,164	353	
LOCAL ASSISTANCE	0	0	0	30	30	0	0	30	30	0	
TOTAL EXPENDITURES	264	316	353	847	1,200	353	353	841	1,194	353	
CHANGE REQUESTS: FUND											
A ATTORNEY GENERAL AND RELATED COURT COSTS					536	0		563		0	
B FEDERAL LIAISON					66	0		64		0	
B QUALITY ASSURANCE INITIATIVE					245	0		214		0	
TOTAL CHANGE REQUESTS					847	0		841		0	
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	264	316	353	847	1,200	353	353	841	1,194	353	
TOTAL FINANCING	264	316	353	847	1,200	353	353	841	1,194	353	
POSITIONS BY FUND:											
GENERAL	5.0	6.0	6.0	5.0	11.0	6.0	6.0	5.0	11.0	6.0	
TOTAL POSITIONS	5.0	6.0	6.0	5.0	11.0	6.0	6.0	5.0	11.0	6.0	

CHANGE REQUEST _____ Agency _____ Program X Activity **1990-91 Biennial Budget**

ACTIVITY: LEGISLATION AND POLICY COORDINATION
 PROGRAM: LEGAL AND INTERGOVERNMENTAL
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: FEDERAL LIAISON

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 66	1.0	\$ 64	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and position to coordinate the department's communication with the Minnesota Congressional Delegation and federal agencies on human services issues. The department's initiative in welfare reform requires that the state maintain a close working relationship with federal agencies and elected officials involved in the issues surrounding AFDC dependency reduction.

DESCRIPTION/BACKGROUND:

Federal laws and regulations have a tremendous impact on the types of services the state of Minnesota is able to provide for the citizens of Minnesota and on the cost of providing these services. In recent years, the department has obtained numerous waivers of federal regulations that have enabled the department to provide innovative services for persons with developmental disabilities or chronic illnesses and the elderly. The department has also been able to try new methods of service delivery such as the Medicaid Demonstration Project and Welfare Reform initiatives. Maintaining these programs and working for other changes in federal laws and regulations to enable the department to best address the needs of Minnesotans, requires increased communication with federal government officials this position could provide. There are often federal grants and other funds available which Minnesota could apply to receive if the department had a staff person responsible for identifying these funds and coordinating the application process.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Federal Human Services bills tracked	36	36	300	350
Bill analyzed for the Congressional delegation	6	6	30	30

RATIONALE:

This position is necessary to improve the department's ability to communicate with federal agencies and the Congressional Delegation on issues affecting department programs so that federal agency actions and legislation better meet needs of Minnesotans. Also, this position will enable Minnesota to apply and qualify for additional grants and other federal funds.

BASE: None.

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993

General Fund Expenditures	\$ 64	\$ 64
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GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The department may carry out this activity within current staffing resources.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: LEGISLATION AND POLICY COORDINATION
 PROGRAM: LEGAL AND INTERGOVERNMENTAL
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: QUALITY ASSURANCE INITIATIVE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 245	4.0	\$ 214	4.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: X Yes _____ No
 Statutes Affected: To be determined.

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to establish a Quality Assurance Unit. This unit would develop an integrated approach to assessing and improving the quality of community-based services. Though the department and other agencies gather data on services, the data collected do not cover all aspects of the services and all data are not systematically compiled to give the department and consumers a picture of overall service quality. This unit would integrate current data, develop new sources to fill information gaps, improve communication and coordination with other agencies and individuals concerned about the quality of services, develop a data base system to analyze data and develop incentives for high quality services.

DESCRIPTION/BACKGROUND:

The need for a quality assurance system has become apparent as community-based services expand to all disability groups. To address concerns about the service quality, the department must integrate new and existing monitoring and evaluation efforts into a quality assurance system. Roles and responsibilities for other agencies, counties, consumers, parents and advocates must be defined. While the department alone cannot ensure the quality of all community-based services, it must be a leader in developing a statewide system of quality assurance.

The initial focus of this effort will be to assess and improve the quality of community-based services provided to persons with developmental disabilities. Over the biennium, the quality assurance effort will expand to community-based services provided to other disability groups.

Included in this request are:

1. One position to assist in establishing an independent review system and coordinate the efforts of reviewers with those of state and county staff.

2. One position to develop procedures and forms for case management quality assurance reviews, provider internal quality assurance plans and reviews, citizen quality assurance reviews, and department quality assurance reviews. This position would also provide technical assistance to reviewers.
3. Two positions to develop and implement an information system to collect and analyze data on services; distribute information on the service quality to persons in the quality assurance system; and work with state and county agencies to promote the use of methods that improve service quality and reward providers of high quality services.

In addition, the request includes funds for data processing costs, the cost of amending department rules to emphasize quality assurance, and support costs for an independent citizen quality assurance review system.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Independent reviews conducted by volunteers	-0-	25	75	75

RATIONALE:

An integrated quality assurance system is needed to assure that services provided meet individual needs and improve the quality of life of the vulnerable persons served. Because tax dollars are often the sole source of funding for these programs, this effort is also necessary to assure that public funds are not wasted on poor quality services.

BASE: None.

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 214	\$ 214

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

ACTIVITY: COMMUNITY SERVICE EVALUATION
Program: LEGAL AND INTERGOVERNMENTAL
Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

To ensure that county-administered social service programs are provided according to applicable laws and rules, and to describe the effectiveness and efficiency of the programs by carrying out the commissioner's statutory authority to monitor and evaluate county-administered social service programs. Monitoring and evaluation activities in F.Y. 1990-91 include:

1. Mental health programs
2. Children's programs
3. Developmental disabilities programs
4. Chemical dependency programs

EFFECTIVENESS MEASURES:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Percent of county-administered mental health programs monitored for compliance with rules and laws.	-0-	35(1)	35	35
Percent of county administered children's programs monitored for compliance with rules and laws.(2)	40	50	50	50
Percent of county-administered developmental disabilities programs monitored for compliance with rules and laws.(3)	12	35	35	35
Percent of county-administered chemical dependency programs monitored for compliance with rules and laws.	-0-	10	10	10
Percent of county-administered mental health program evaluations completed.(1)	3	5	5	5

- (1) Limited to mental health programs in demonstration project counties.
- (2) Limited to monitoring federal and state out-of-home placement laws and rules.
- (3) Limited to monitoring case management activities as required by the Welsch Negotiated Settlement Agreement in F.Y. 1988 and F.Y. 1989.

ACTIVITY DESCRIPTION:

This activity is responsible for monitoring county compliance with rules and laws governing the delivery of county-administered community services and evaluating the effectiveness and efficiency of these services.

ACCOMPLISHMENTS AND GOALS:

Historically, the focus of this activity has been on providing consultation and technical assistance to counties in the area of social services adminis-

tration. During F.Y. 1988-89, the department has redesigned this activity to enable us to monitor and evaluate county-administered social service programs. Activities completed to date include:

1. Monitoring county case management and placement activities for compliance with rules and the Negotiated Settlement Agreement in Welsch v. Gardebring.
2. Monitoring county compliance with state and federal requirements related to out-of-home placements of children.
3. Designing a program to evaluate the effectiveness and efficiency of county-administered social services.
4. Field testing the evaluation and monitoring programs in selected areas (i.e., mental health, children's services, developmental disabilities and chemical dependency).

ACTIVITY STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
County Agencies Reviewed	35	44	44	44

LEGISLATIVE ISSUES:

Legislation will be proposed to strengthen the commissioner's authority to impose sanctions on counties that fail to comply with rules and laws.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity except for the change detailed on the following page.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : LEGAL AND INTERGOVERNMENTAL
BUDGET ACTIVITY : COMMUNITY SERVICE EVALUATION

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	404	355	350	288	638	494	350	324	674	530
EXPENSES/CONTRACTUAL SRVCS	0	0	0	75	75	2	0	24	24	3
MISC OPERATING EXPENSES	0	0	0	154	154	154	0	159	159	133
SUPPLIES/MATERIALS/PARTS	0	0	0	6	6	6	0	7	7	7
CAPITAL EQUIPMENT	0	0	0	23	23	40	0	23	23	5
TOTAL EXPENDITURES	404	355	350	546	896	696	350	537	887	678
CHANGE REQUESTS: FUND										
B CSE-STAFF COUNTY MONITORING					374			322		113
B RTC NEGOTIATION - QUALITY COMMUN CARE					172			215		215
TOTAL CHANGE REQUESTS				546		346		537		328
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	394	355	350	546	896	696	350	537	887	678
STATUTORY APPROPRIATIONS:										
FEDERAL	10	0	0	0	0	0	0	0	0	0
TOTAL FINANCING	404	355	350	546	896	696	350	537	887	678
POSITIONS BY FUND:										
GENERAL	0.0	8.0	8.0	8.0	16.0	12.0	8.0	9.0	17.0	13.0
FEDERAL	8.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL POSITIONS	8.0	8.0	8.0	8.0	16.0	12.0	8.0	9.0	17.0	13.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: COMMUNITY SERVICE EVALUATION
 PROGRAM: LEGAL AND INTERGOVERNMENTAL
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: COMMUNITY SERVICE EVALUATION STAFF: COUNTY MONITORING

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 374	4.0	\$ 322	4.0
Governor's Recommendation				
General Fund	\$ 174	-0-	\$ 113	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to conduct monitoring and evaluation of county-administered social service programs, using procedures and standards developed and field tested during F.Y. 1988 and 1989. These additional positions and funds will enable the department to fully implement the Commissioner's statutory authority to monitor and evaluate county-administered social service programs in all 87 counties. In F.Y. 1989 the activities in only 44 counties.

This activity request compliments the department's county-state relationships initiative.

STATEMENT/BACKGROUND:

During F.Y. 1988 the department redesigned this activity to satisfy the statutory requirement to monitor and evaluate county-administered social service programs. Previously, the primary focus of this activity was consultation and technical assistance to counties about the local administration of social service programs. This refocus is consistent with the commitment to monitor for consistent application of policies and rules and to evaluate the effectiveness and efficiency of county-administered social services programs.

Reviews conducted during F.Y. 1990 and F.Y. 1991 will include:

1. Monitoring local agency compliance with federal and state laws and rules governing child protection services;
2. Review of local agency compliance with the Comprehensive Mental Health Act;
3. Ongoing review of children in out-of-home placement to measure program compliance with sec. 427 of Public Law 96-272;
4. Review of local agency compliance with rules governing the provision of services to developmentally disabled persons;
5. Review of local agency compliance with case record documentation requirements of Minnesota Rules, part 9550.0090, Administration of Community

- Social Services;
6. Review of local agency grants and purchase of service contracts for compliance with Minnesota Rules, part 9550.0040, Administration of Community Social Services; and
 7. Continue to field test and implement outcome evaluation measures in major program areas.

As appropriate, these activities will result in requiring county agencies to develop corrective action plans designed to correct deficiencies and meet minimum standards.

Part of the funds requested include the administrative support costs for the community services evaluation unit (\$174,000 in F.Y. 1990 and \$113,000 in F.Y. 1991). In the past these costs have been funded using federal Title IV-B monies. Federal auditors have informed the department that this is no longer an allowable expenditure of Title IV-B funds.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
County Agencies Reviewed	35	44	87	87

RATIONALE:

The department is responsible for insuring consistent implementation of state and federal policies and rules in a county-administered social service delivery system. In this system large amounts of state and federal funds are spent each year to provide social services throughout Minnesota. The department has limited capacity to determine if policies and rules are being consistently applied in all 87 counties, to evaluate the effectiveness of the social service delivery system, and to avoid sanctions.

This request will allow the department to monitor and evaluate social services delivery in all counties by adding 4 additional positions to conduct on-site field review of social service programs and by replacing federal funds that are no longer available for this activity.

With the new child protection rule, particular attention needs to be focused on the child protection system.

<u>BASE:</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General Fund Expenditures	\$ 355	\$ 355	\$ 355	\$ 355

<u>LONG RANGE IMPLICATIONS:</u>	<u>(Dollars in Thousands)</u>	
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>
General Fund Expenditures	\$ 322	\$ 322

GOVERNOR'S RECOMMENDATION:

After review of this activity, the Governor recommends an alternative funding of \$287,000 to general fund administrative costs that were covered previously with federal funds. This will allow the department to continue its present level of service. This request will generate \$144,000 for the biennium in non-dedicated receipts to the General Fund.

ACTIVITY: LICENSING
Program: LEGAL AND INTERGOVERNMENTAL
Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

To protect the health, safety, rights and well-being of children and vulnerable adults by using preventative measures, enforcement powers, and information and referral activities to enforce state and federal laws, rules and regulations in licensed programs.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Percent of programs licensed within 90 days of application or license expiration	83%	75%	65%	65%
Percent of abuse/neglect investigations completed within 60 days of report	90%	85%	80%	80%
Percent of other licensing violation investigations completed within 90 days of report	80%	70%	70%	70%
Number of suspensions, revocations and probationary licenses for failure to comply with the rule or law	35%	40%	40%	40%

ACTIVITY DESCRIPTION:

This activity is responsible for licensing child care centers, family child care homes; foster homes, group homes and residential treatment centers for children; day and residential programs for persons with mental retardation or a related condition, mental illness, chemical abuse or dependency or physical handicaps; and mental health centers. The major functions of this activity are to:

1. Conduct inspections of and monitor licensed programs.
2. Conduct applicant background studies of applicants and employees of programs.
3. Investigate reports of abuse, neglect, or other licensing violations.
4. Take appropriate actions to enforce laws and rules and protect the health, safety, rights, and well-being of children and vulnerable adults in licensed programs.
5. Direct, supervise, and certify the family day care and foster care inspection activities of county and private agencies.
6. Evaluate the effectiveness of licensing rules.

ACCOMPLISHMENTS AND GOALS:

Since 1987, this activity has implemented the significant reforms in the 1987 revisions to the "Human Services Licensing Act" (M.S. Ch. 245A). These reforms include:

1. Applicant background studies which screen persons with criminal histories from access to children and vulnerable adults in licensed programs.
2. An automated system for family day care and foster care licensing which significantly reduces the time that it takes to issue licenses to these

3. Increases in the reliability and consistency of licensing inspections.
4. Reductions in the number of person hours required to license a program.

ACTIVITY STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Total Number of Licensed Programs:	17,238	17,493	18,045	18,365
Child care centers	1,220	1,300	1,430	1,470
Family child care homes	10,282	10,330	10,390	10,450
Foster homes	4,588	4,650	4,725	4,820
Child caring & placing agencies	36	36	36	36
State regional treatment centers	9	9	9	9
DD, MH, CD, residential programs	635	645	895	995
DD day programs (DAC)	148	160	170	175
CD Outpatient	194	220	230	240
MH centers and clinics	93	98	100	100
Adult day care	33	45	60	70
Number of reports received:				
Abuse/neglect of vulnerable adults	971	1,000	1,300	1,300
Abuse/neglect of children	137	190	220	250
Other licensing rule violations	313	350	370	420
Work force statistics:				
Number of licensors	31	31	31	31
Average annual caseload per licensor	76	81	95	100

LEGISLATIVE ISSUES:

Legislation will be proposed to repeal the statutory authorization for regional review boards.

REVENUE:

This activity earns federal administrative reimbursement at the rate of 42.9% of expenditures. These reimbursements are deposited into the state general fund. In addition, licensing fees generate funds which are deposited into the state general fund each year in the following amounts:

	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Licensing Fee Revenues	\$ 297	\$ 309	\$ 406	\$ 414

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity for the changes detailed on the following change pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : LEGAL AND INTERGOVERNMENTAL
BUDGET ACTIVITY : LICENSING

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990			F.Y. 1991				
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	1,477	1,927	1,975	263	2,238	2,235	1,975	501	2,476	2,379
EXPENSES/CONTRACTUAL SRVCS	206	123	123	121	244	160	123	171	294	178
MISC OPERATING EXPENSES	156	187	187	36	223	208	187	68	255	233
SUPPLIES/MATERIALS/PARTS	22	17	17	34	51	28	17	72	89	43
CAPITAL EQUIPMENT	174	25	25	31	56	47	25	58	83	49
REDISTRIBUTIONS	0	8	8	0	8	8	8	0	8	8
TOTAL EXPENDITURES	2,035	2,287	2,335	485	2,820	2,686	2,335	870	3,205	2,890
CHANGE REQUESTS: FUND										
B APPLICANT BACKGROUND STUDY STAFF GEN				100		0		100		0
B INCREASED LICENSING STAFF FOR CHILD CARE GEN				165		230		440		225
B RTC NEGOTIATION - LICENSE FACILITIES GEN				220		121		330		330
TOTAL CHANGE REQUESTS				485		351		870		555
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,391	1,710	1,758	485	2,243	2,109	1,758	870	2,628	2,313
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	195	75	75	0	75	75	75	0	75	75
FEDERAL	449	502	502	0	502	502	502	0	502	502
TOTAL FINANCING	2,035	2,287	2,335	485	2,820	2,686	2,335	870	3,205	2,890
POSITIONS BY FUND:										
GENERAL	32.0	36.0	36.0	10.0	46.0	44.0	36.0	16.0	52.0	46.0
SPECIAL REVENUE	2.0	2.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0
FEDERAL	12.0	12.0	12.0	0.0	12.0	12.0	12.0	0.0	12.0	12.0
TOTAL POSITIONS	46.0	50.0	50.0	10.0	60.0	58.0	50.0	16.0	66.0	60.0

LONG RANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: LICENSING
 PROGRAM: LEGAL AND INTERGOVERNMENTAL
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: APPLICANT BACKGROUND STUDY STAFF

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 100	1.0	\$ 100	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The Department requests the above funds and position to conduct applicant background studies (ABS) on license applicants and their employees who have direct contact with children or vulnerable adults in licensed programs as required by M.S., sec. 245A.04, subd. 3 (Human Services Licensing Act/HSLA). Funding of this activity improves the quality for children's programs and establishes a standardized quality assurance procedure.

DESCRIPTION/BACKGROUND:

Since 1978, the department's statutory licensing authority has required the department to conduct annual background studies of applicants, license holders and their employees to determine if they have a history of criminal behavior or substantiated abuse or neglect that would place children or vulnerable adults in licensed programs unnecessarily at risk of abuse or exploitation. The department's ability to implement this important protective measure was severely limited by unclear and burdensome statutory language until the HSLA was amended in 1987. After 8 months of planning and coordination with the units of state and local governments involved, the department began phasing in implementation of the applicant background study procedure in 1988 for 2,368 licenseholders and an estimated 50,000 employees in licensed human service and child care programs. The applicant background study procedure will be fully implemented in August, 1989.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Licensed Programs	2,368	2,513	2,930	3,095
Projected Number of Annual ABS Studies	50,000	55,000	64,000	68,000

RATIONALE:

This position is required to insure background studies are initiated and completed in a timely manner. Since new employees are allowed to work in licensed programs while the background study is being completed, delays in completing studies could place children or vulnerable adults in those programs unnecessarily at risk of preventable abuse, neglect or exploitation. Failure to reduce backlogs and delays associated with information management and document processing will unnecessarily subject children and vulnerable adults to risk of abuse, neglect and exploitation and increase the State's exposure to liability claims. The procedures are centralized to help insure accuracy, responsiveness, and protect individual information through the Minnesota Data Privacy Act.

BASE: None.

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 100	\$ 100

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The department should consider a charge back mechanism for providers who request an applicant background study be done for their new employees.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: LICENSING
 PROGRAM: LEGAL AND INTERGOVERNMENTAL
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: INCREASED LICENSING STAFF

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
General Fund	\$ 165	5.0	\$ 440	9.0

Governor's Recommendation

General Fund	\$ 230	4.0	\$ 225	4.0
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Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to meet the additional work loads resulting from increases in the number and types of licensed child care, developmental disability, mental health and chemical dependency programs during F.Y. 1990 and F.Y. 1991.

DESCRIPTION/BACKGROUND:

During F.Y. 1988-89 the number of licensed human service programs continued to increase.

The growth of the developmental disabilities home and community-based services waiver program, legislative authorization to lift the moratorium on the development of intermediate care facilities for people with mental retardation (ICF/MR) programs, development of new programs under the Negotiated Settlement in the Welsch v. Gardebring federal court case, and a continuing trend of movement of persons with developmental disabilities out of regional treatment centers into communities throughout the state will result in an increase in the number of new licensed residential and day programs between F.Y. 1989 and F.Y. 1991.

The Mental Health Act and the consolidated chemical dependency treatment fund initiatives have resulted in growth in the number of residential and outpatient programs for persons with mental illness or chemical dependency. In addition, there has been steady growth in the number of adult day care and adult foster care programs for functionally impaired and elderly persons. This growth pattern will continue into F.Y. 1991.

The child care industry continues to expand in response to consumer demand. Programs operated by public schools, sick child care programs, as well as population growth trends will result in an increase in the licensing workload by F.Y. 1991.

STATISTICS:

	F.Y. 1989	F.Y. 1990	F.Y. 1991
Annual Increase in State-Inspected Programs by Type-Total	145	417	165
Child care centers	80	130	40
DD, MH, CD, residential programs	10	250	100
DD day programs (DAC)	12	10	5
CD outpatient programs	26	10	10
MH centers and clinics	5	2	0
Adult day care programs	12	15	10
Cumulative Increase in No. of programs	145	562	727
No. of Licensors	31	36	40
Average caseload per licensor	81	81	70

RATIONALE:

Over the past 3 years, the department has reduced the number of person hours required to conduct inspections and investigations of licensed programs. Even with these efficiencies, 75 programs is the maximum case load that can be managed by a licensor without a loss of effectiveness. Actual and anticipated program growth, stimulated by successful legislative initiatives in developmental disabilities, mental health, chemical dependency and child care programs, has outstripped our ability to effectively conduct licensing inspections and investigations of abuse and neglect in licensed programs. If requested funds and positions are not approved, the department will be forced to reduce the frequency of inspecting some programs to once every 2 years instead of annually and to postpone investigation of consumer complaints, other than reports of abuse, neglect or other conditions that put children or vulnerable adults in immediate danger, until the next regularly scheduled annual or biennial licensing inspection.

<u>BASE:</u>	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 1,388	\$ 1,709	\$ 1,709	\$ 1,709

<u>LONG RANGE IMPLICATIONS:</u>	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 440	\$ 440

GOVERNOR'S RECOMMENDATION:

After review of this activity, the Governor recommends an alternative funding of \$455,000, and that the agency increase licensing staff to meet the need created by more child care facilities. This request is a component of the Governor's initiative on children. This request will generate \$172,000 for the biennium, which will be non-dedicated receipts to the General Fund.

PROGRAM: SOCIAL SERVICES
AGENCY: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

PROGRAM PURPOSE:

This program's purpose is to supervise public social service policies and funding so that effective and cost-efficient services are provided to children and their families, or to adults who are elderly, developmentally disabled, chemically dependent, hearing impaired, or vulnerable and in need of protection.

The social services program develops planning guidelines, reviews and approves plans for the delivery of community social services by counties and area agencies on aging. The program distributes state and federal funds, promulgates rules governing social services, provides technical assistance to county social service agencies, and reports on services delivered to citizens of Minnesota.

OPERATIONS:

The social services program is organized into 6 divisions: (1) Aging; (2) Chemical Dependency; (3) Children's Services; (4) Community Social Services; (5) Deaf Services; and (6) Developmental Disabilities.

1. The Aging Division provides staff to the Minnesota Board on Aging and together they provide leadership in program development for persons who are elderly. Additional functions provide advocacy services through the ombudsman program and monitor the implementation of nutrition programs, senior service centers, and volunteer programs funded by state appropriations and the federal Older Americans Act.
2. The Chemical Dependency Division works to reduce the harmful effects of chemical use on Minnesota's citizens, and to assure access to cost-effective, quality services for public clients. It develops and implements policies, plans, and information needed for decision making, as well as coordinate service delivery among state and local agencies. It provides technical support to counties and service providers, administers state and federal grants, promotes prevention services and strategies, and evaluates the outcomes and effectiveness of services.
3. The Children's Services Division was created to coordinate department policy in serving children and their families. Children's Services works with county social service agencies and private agencies in achieving the state policy of securing a permanent family for every child. Included within Children's Services are adoption services, substitute care, child care, child protection, adolescent services, and the administration of federal funds targeted to children and families.
4. The Community Social Services Division is responsible for developing the state Community Social Services Act (CSSA) biennial plan and periodic evaluation reports, distributing state and federal funds to counties, and providing a variety of technical and programmatic services to counties to assist them in carrying out their responsibilities under the act. The division also provides technical assistance and consultation to counties and state-level contractors in the direct delivery and purchase of social services to the target population identified in the CSSA, and information system development.

The adult social services program within this division carries out the department's responsibilities under the Vulnerable Adult Act, guardianship for adults with developmental disabilities and programs such as adult foster care and adult day care.

5. The Deaf Services Division seeks to foster client self-sufficiency; to enhance the availability of human services to the hearing impaired, and to link up these services to handicapped persons through its network of regional service centers. It plans and evaluates services, provides information for policy making, provides technical assistance and training to counties and other agencies, designs services to fill gaps, manages state grants to deaf and deaf/blind clients, and evaluates service outcomes. The division also monitors a court order (Hearing Impaired/Mentally Ill Mediated Settlement Agreement) which specifies the quality of services provided to selected hearing impaired state residential treatment center clients.
6. The Developmental Disabilities Program Division provides leadership and technical assistance to county social service agencies to increase the independence of persons with mental retardation and related conditions. The division develops rules and administers programs such as the Title XIX home and community-based services waiver, family subsidy, and semi-independent living services. The quality of residential habilitation and training and case management services to Minnesota's citizens with developmental disabilities are the focus of this division's efforts.

MAJOR POLICY ISSUES:

1. Promoting services that allow citizens over age 60 to live as independently as possible. Providing an effective information and advocacy service through the ombudsman's efforts.
2. Evaluation of the reforms embodied in the consolidated chemical dependency treatment fund to assure that it provides quality, cost-effective services. Development of more effective prevention strategies and more adequately meeting the needs of special populations such as American Indians, refugees, women, and dually-diagnosed persons.
3. Development and implementation of a major department initiative in the area of children and family services to better realize the state's policy goals in permanency planning, reducing out-of-home placement, improving child protective services, children's mental health services, adolescent services, and child care.
4. Development and implementation of an improved county information reporting system to clarify what social services are provided to Minnesota citizens and at what cost. Improvement of public guardianship services offered to persons who are developmentally disabled.
5. Removal of access and funding barriers so that persons who are deaf or hearing impaired are better able to achieve self-sufficiency. Specific functions to be undertaken include distribution of equipment to improve telecommunication access, cooperation with the Department of Jobs and Training to improve access and employment, and outreach to elderly citizens with hearing impairments.

PROGRAM: SOCIAL SERVICES
(Continuation)

1990-91 Biennial Budget

AGENCY: HUMAN SERVICES, DEPARTMENT OF

6. Increasing the array of community-based services for persons with developmental disabilities to improve their self-sufficiency. Specific functions include proposals to modify the operation of the regional treatment centers and simplify the administration of existing programs.

PROGRAM PRIORITIES:

The major program priorities are as follows:

1. Department initiatives:
 - a. Children's initiative to improve programs and services to children and families so that children will be better protected, able to remain within a permanent family and receive necessary treatment and services to grow up as healthy productive citizens.
 - b. Revise the social service reporting system to more adequately provide information on social services provided to Minnesota citizens, as a part of the information systems initiative.
2. Other program priorities.
 - a. Increase the capability of the Aging Ombudsman's Program to meet the growing needs.
 - b. Improve the access of persons who are deaf or hearing impaired to employment and existing services.

GOVERNOR'S RECOMMENDATION:

The Governor recommends a BASE of \$226,110,000 and a biennial increase of \$29,227,000 for the F.Y. 1990-91 budget. Details for increased funding can be found in the following budget activity CHANGE request pages.

Chemical dependency services provided at state regional treatment centers are funded in part with resources of the Consolidated Chemical Dependent Treatment Fund, which is an activity of this program. In the current biennium, regional treatment center CD programs were subsidized by transfers from a special contingency appropriation. The governor recommends that no contingency funding support be provided in the 1990-91 biennium and that center CD services be self-supporting. Service rates should be set based upon the cost of providing services and no constraints should be placed on program staffing levels.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : SOCIAL SERVICES

ACTIVITY EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
SOCIAL SERVICES ADMINISTRATION	2,250	1,555	1,685	1,303	2,988	2,338	1,685	2,703	4,388	2,588
B SSIS DEVELOPMENT				600		0		2,000		0
B RTC NEG - QUALITY OF COMMUNITY CARE				703		453		703		703
B EPILEPSY INDEPENDENT LIVING GRANT				0		200		0		200
COMMUNITY SOCIAL SERVICE GRANTS	95,367	96,990	95,703	2,209	97,912	97,912	95,478	2,657	98,135	98,135
B RTC NEGOTIATION - CASE MANAGEMENT				2,209		2,209		2,657		2,657
CHILDRENS SERVICES ADMINISTRATION	1,457	1,985	2,152	129	2,281	2,281	2,187	110	2,297	2,297
B TITLE IV-E REIMBURSEMENT PROJECT				129		129		110		110
CHILDRENS SERVICES GRANTS	30,627	52,164	46,009	10,887	56,896	54,890	46,009	10,973	56,982	54,963
B CHILD CARE FUND GRANTS				6,745		5,979		6,745		5,966
B SUBSIDIZED ADOPT-POST ADOPT SVCS				350		350		400		400
B PERMANENCY PLANNING MINORITY FAMS				1,400		1,400		1,400		1,400
B CHILD PROTECTION				504		504		446		446
B MINORITY PARENTS-SUBSTITUTE CARE				188		188		182		182
B HOMELESS ADOLESCENTS				200		200		300		300
B ADOLESCENT PARENTS				200		0		200		0
B SERVICE DEVELOPMENT CHILD CARE GRANTS				1,300		1,300		1,300		1,300
B TRANSFER CHILD CARE FUNDS FOR NON-AFDC HIGHER ED				0		<1,040>		0		<1,040>
DEVELOPMENTAL DISABILITIES ADMIN	1,433	1,319	1,384	675	2,059	2,059	1,384	761	2,145	2,145
B D D ADULT GUARDIANSHIP				87		87		87		87
B RTC NEGOTIATION - DEVELOP DISABILITY				258		258		258		258
B RTC NEGOTIATION - DEVELOP DISABILITY				129		129		129		129
B RTC NEGOTIATION - OMBUDSMAN FOR MH				111		111		197		197
B RTC NEGOTIATION - QUALITY COMMUN CARE				90		90		90		90

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : SOCIAL SERVICES

ACTIVITY EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
SILS	3,021	3,658	3,658	800	4,458	4,458	3,658	1,433	5,091	5,091
B SILS GRANTS INCREASE				613		613		1,040		1,040
B RTC NEGOTIATIONS - SILS INCREASE				187		187		393		393
FAMILY SUBSIDY	1,063	1,063	1,063	66	1,129	1,129	1,063	132	1,195	1,195
B RTC NEGOTIATIONS - FAM SUB INCREASE				66		66		132		132
AGING ADMINISTRATION	1,337	1,314	1,344	50	1,394	1,344	1,344	50	1,394	1,344
B ALZHEIMER/DEMENTIA PROGRAM INITIATIVE				50		0		50		0
AGING OMBUDSMAN	123	135	136	218	354	136	136	396	532	136
B ACUTE CARE/IN-HOME AGING OMBUDSMAN EXPAN				218		0		396		0
AREA AGING SERVICES GRANTS	15,762	19,162	19,162	0	19,162	19,162	19,162	0	19,162	19,162
FOSTER GRANDPARENT GRANTS	665	666	666	0	666	666	666	0	666	666
RETIRED SENIOR VOLUNTEER GRANTS	347	347	347	0	347	347	347	0	347	347
SENIOR COMPANION GRANTS	366	391	391	0	391	391	391	0	391	391
HEARING IMPAIRED SERVICES	1,873	3,666	3,724	0	3,724	3,724	3,724	0	3,724	3,724
CHEMICAL DEPENDENCY ADMINISTRATION	462	529	473	0	473	473	473	0	473	473
AMERICAN INDIAN CD GRANTS	1,385	1,065	1,065	0	1,065	1,065	1,065	0	1,065	1,065
CD SPECIAL GRANTS	227	357	292	76	368	368	292	200	492	492
B CHILDREN AND WOMENS SERVICE				76		76		200		200
CD BLOCK GRANT FEDERAL	3,234	4,032	3,545	0	3,545	3,545	3,545	0	3,545	3,545
CD CONSOLIDATED TREATMENT	17,200	34,925	36,583	288	36,871	36,871	38,200	300	38,500	38,500
B TRANSFER FROM MA FOR ICF-CD PROG				288		288		300		300
TOTAL EXPENDITURES	178,199	225,323	219,382	16,701	236,083	233,159	220,809	19,715	240,524	236,259

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : SOCIAL SERVICES

ACTIVITY EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	76,329	90,029	112,229	16,701	128,930	126,006	113,881	19,715	133,596	129,331
STATUTORY APPROPRIATIONS:										
GENERAL	516	450	450	0	450	450	450	0	450	450
SPECIAL REVENUE	17,456	36,799	10,197	0	10,197	10,197	10,197	0	10,197	10,197
FEDERAL	83,847	97,936	96,483	0	96,483	96,483	96,258	0	96,258	96,258
AGENCY	18	72	0	0	0	0	0	0	0	0
GIFTS AND DEPOSITS	33	37	23	0	23	23	23	0	23	23
TOTAL FINANCING	178,199	225,323	219,382	16,701	236,083	233,159	220,809	19,715	240,524	236,259
POSITIONS BY FUND:										
GENERAL	97.5	96.5	96.5	45.0	141.5	131.5	96.5	47.0	143.5	133.5
SPECIAL REVENUE	12.0	13.0	13.0	0.0	13.0	13.0	13.0	0.0	13.0	13.0
FEDERAL	70.5	76.0	76.0	0.0	76.0	76.0	76.0	0.0	76.0	76.0
TOTAL POSITIONS	180.0	185.5	185.5	45.0	230.5	220.5	185.5	47.0	232.5	222.5

ACTIVITY: SOCIAL SERVICES ADMINISTRATION 1990-91 Biennial Budget
Program: SOCIAL SERVICES
Agency: HUMAN SERVICES, DEPARTMENT OF

ACTIVITY OBJECTIVE:

To interpret and enforce federal and state laws, and department rules, policies and goals in the planning, provision, and statistical reporting of community social services by local agencies and contractors.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Federal program audits passed	100%	100%	100%	100%
Federal plans	3	1	1	1
Adult foster homes	647	750	850	900
Adult day care facilities	80	100	125	150
Volunteers' hours	1,169,882	1,173,976	1,215,065	1,275,818
Counties using CSIS	74	74	74	74

ACTIVITY:

This activity supervises the planning, provision, and administration of community social services by local agencies and department contractors as provided for in the Minnesota Community Social Service Act and related federal and state social service laws.

Functions of this activity are compliance assurance, maintaining and improving local agency planning and reporting, capacity building of adult services, and direct services to developmentally disabled persons under guardianship of the Commissioner. Functions are performed by technical assistance, consultation, and training for local agency management, staff and county board members. Data on agency performance is collected, statistical reports produced, special studies conducted and information systems maintained. The social services manual is maintained and contracts administered. Consultation, technical assistance and training are provided to counties and mandated reporters under the Vulnerable Adults Act.

ACCOMPLISHMENTS AND GOALS:

With department reorganization this activity is concentrating on departmental responsibilities under the Community Social Services Act, particularly planning, reporting and funding. During the first six months of F.Y. 1988 the child care programs and Indian Child Welfare grants program authorized by the Legislature were implemented as were other children's services. A legislatively mandated evaluation of the permanency planning program was completed. New responsibilities assigned to this activity are adult protection, in accordance with M.S. 626.557 and the developmentally disabled guardianship function with responsibilities for 6,500 persons. An internal review of the Volunteer Services activities of the department has resulted in a better coordinated program which will raise the output of this activity by 8% over the coming biennium. In dollar terms the value of volunteer impact on department and county programs will increase by \$155,000. Internal efficiencies and improvements have been made in data collection procedures and the Community Services Information System (CSIS). A major goal of this activity is to modernize the technology and methods of social service data collection, analysis and reporting as component of the department's comprehensive upgrading of its information collection and management responsibilities.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Reports produced and disseminated	11	11	11	11
Vulnerable Adult incident reports	5,125	6,815	7,840	9,016
Persons under guardianship served	6,564	6,464	6,364	6,264

LEGISLATIVE ISSUES:

An appropriation rider is being proposed to authorize a start-up grant program for adult foster homes.

REVENUE:

This activity earns federal administrative reimbursement at the rate of 75% of expenditures. These reimbursements are deposited into the general fund.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity except those changes detailed on the following change pages, and the State Residential Facilities Program.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : SOCIAL SERVICES
BUDGET ACTIVITY : SOCIAL SERVICES ADMINISTRATION

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	1,041	844	856	406	1,262	996	856	406	1,262	1,046
EXPENSES/CONTRACTUAL SRVCS	443	600	718	752	1,470	1,177	718	2,009	2,727	1,377
MISC OPERATING EXPENSES	93	67	67	67	134	91	67	66	133	91
SUPPLIES/MATERIALS/PARTS	13	18	18	8	26	18	18	15	33	18
CAPITAL EQUIPMENT	48	26	26	70	96	56	26	207	233	56
REDISTRIBUTIONS	555	0	0	0	0	0	0	0	0	0
STATE OPERATIONS	2,193	1,555	1,685	1,303	2,988	2,338	1,685	2,703	4,388	2,588
LOCAL ASSISTANCE	57	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	2,250	1,555	1,685	1,303	2,988	2,338	1,685	2,703	4,388	2,588
CHANGE REQUESTS:	FUND									
B SSIS DEVELOPMENT				600		0		2,000		0
B RTC NEG - QUALITY OF COMMUNITY CARE				703		453		703		703
B EPILEPSY INDEPENDENT LIVING GRANT				0		200		0		200
TOTAL CHANGE REQUESTS				1,303		653		2,703		903
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	679	827	739	1,303	2,042	1,392	739	2,703	3,442	1,642
STATUTORY APPROPRIATIONS:										
FEDERAL	1,571	728	946	0	946	946	946	0	946	946
TOTAL FINANCING	2,250	1,555	1,685	1,303	2,988	2,338	1,685	2,703	4,388	2,588
POSITIONS BY FUND:										
GENERAL	9.0	9.0	9.0	12.0	21.0	15.0	9.0	12.0	21.0	15.0
FEDERAL	15.0	13.0	13.0	0.0	13.0	13.0	13.0	0.0	13.0	13.0

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : SOCIAL SERVICES
BUDGET ACTIVITY : SOCIAL SERVICES ADMINISTRATION

POSITIONS BY FUND:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
TOTAL POSITIONS	24.0	22.0	22.0	12.0	34.0	28.0	22.0	12.0	34.0	28.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: SOCIAL SERVICES ADMINISTRATION
 PROGRAM: SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: SOCIAL SERVICES INFORMATION SYSTEM PLANNING

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 600	6.0	\$2,000	6.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests these funds and positions to complete work and implement a social service reporting system by December, 1989, to undertake analysis of existing systems function under CSIS that should be retained in any future development, and to develop a plan and proposed structure for a new social services information system.

DESCRIPTION/BACKGROUND:

Since 1981, the department has supported the Community Services Information System (CSIS) for optional use by the counties as the vehicle for providing county data required in state and federal statistical reports. Seventy-four counties elected to use CSIS. The other 14 chose to develop their own system, automated in the case of larger counties, paper reporting in very small counties. In 1983-84 CSIS was modified to include Community Social Service Act reporting requirements. With program expansions, modifications and increased sources of categorical funding, the social service information requirements for all target populations have become more complex than CSIS can accommodate in its present form. Since 1981 the department has expended \$300,000 annually from Titles XX and IV-B federal funds to maintain CSIS. In both the 1987 and 1988 legislative sessions the need for social service information improvements was discussed in committee hearings.

By December, 1989 the department will have in place county social service reporting requirements. The department will seek legislation giving the commissioner authority to withhold funds if a county fails to meet minimum reporting requirements.

This CHANGE request also proposes to undertake a planning plan which will move from reporting requirements to systems design taking into account the new data processing environments introduced in the counties by the other department systems initiative and the evolving statewide information archi-

ture. This request for \$600,000 in F.Y. 1990 will cover the systems planning including decisions about the processing environment. The funds in F.Y. 1991 are for development.

This change request will result in the development of a modernized system having the capacity to meet future information needs.

RATIONALE:

The legislature and the department have recognized the inadequacy and lack of reliability in current social services reporting systems. The department's ability to deliver timely accurate information about clients, services, and utilization patterns depends on this funding. Additionally, the descriptive information necessary to do monitoring of county performance and enforce standards of accountability depends on this information systems funding.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	<u>(Dollars in Thousands)</u>	
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>
General Fund Expenditures	\$ 370	\$ 370

GOVERNOR'S RECOMMENDATION:

This request has been reviewed by the Information Policy Office (IPO) and is not recommended for funding. The Governor concurs with the IPO recommendation.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: SOCIAL SERVICES ADMINISTRATION
 PROGRAM: SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: EPILEPSY INDEPENDENT LIVING GRANTS

	<u>F.Y. 1990</u>		<u>F.Y. 1991</u>	
	(000's) Amount	Positions	(000's) Amount	Positions
Governor's Recommendation				
General Fund	\$ 200	-0-	\$ 200	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

GOVERNOR'S RECOMMENDATION:

The Governor requests the above funds for grants to providers of independent living services for people with epilepsy who do not qualify for any other program.

DESCRIPTION/BACKGROUND:

The department's community social services division will contract with a local agency that provides the professional and technical services. People who qualify for this program are those who need ongoing medical treatment as well as help in developing skills to live independently. These are also people who are no longer eligible for service in an ICF-MR facility and could benefit from this activity. For F.Y. 1989, the legislature appropriated \$100,000 for a 6 month grant.

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Individuals served	-0-	14	16	16

RATIONALE:

This request is necessary to provide help to the small percentage (1--2%) of people with epilepsy that do not qualify for any other program to assist them in learning independent living skills.

BASE:

	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General Fund Expenditures	\$ -0-	\$ 100	\$ -0-	\$ -0-

LONG RANGE IMPLICATIONS:

	<u>(Dollars in Thousands)</u>	
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>
General Fund Expenditures	\$ 200	\$ 200

ACTIVITY: COMMUNITY SOCIAL SERVICE GRANTS 1990-91 Biennial Budget
Program: SOCIAL SERVICES
Agency: HUMAN SERVICES, DEPARTMENT OF

ACTIVITY OBJECTIVE:

To distribute state community social service funds and federal Title XX funds to local agencies according to statutes. These funds are used to provide social services as required by the Community Social Services Act (M.S. 256E).

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Counties achieving CSSA Plan compliance	87	87	87	87

ACTIVITY DESCRIPTION:

The Community Social Services Act (CSSA) establishes a system for planning, funding, and evaluating community social services by local agencies of each county under the supervision of the Commissioner of Human Services. County boards are required to provide community social services for the following target populations: (1) families experiencing child dependency, neglect, abuse, or adolescent pregnancies; (2) dependent and neglected wards; (3) vulnerable adults in need of protection; (4) persons age 60 and over who are experiencing difficulty living independently; (5) emotionally disturbed youth, chronically, and mentally ill persons; (6) mentally retarded persons; (7) chemically dependent persons; and (8) families in need of day care. To receive CSSA funds, each county must submit a local plan for community social services; the plan is approved by the state agency; and counties are allocated dollars based on the formula in M.S. 256E.06 (1/3 income maintenance case load, 1/3 population, 1/3 number of persons over 65). Federal Social Services Block Grant funds are allocated in accordance with the formula in M.S. 256E.07 (2/3 income maintenance case load, 1/3 population).

ACCOMPLISHMENTS AND GOALS:

Both state and federal funds were distributed in accordance with the statutory formula. Management of this activity is described in the preceding activity.

<u>ACTIVITY STATISTICS:</u>	<u>C.Y. 1988</u>	<u>C.Y. 1989</u>	<u>C.Y. 1990</u>	<u>C.Y. 1991</u>
County levies for social services	\$217,198.9	\$238,918.8	\$262,810.7	\$289,091.8

FEDERAL SOCIAL SERVICES BLOCK GRANT

FEDERALLY (AND STATE) PERMITTED USES AND USE RESTRICTIONS:

Federal Permitted Uses:

1. Services include, but are not limited to, child care services, protective services for children and adults, services for children and adults in foster care, services related to the management and maintenance of the home, day care services for adults, transportation services, family planning services, training and related services, employment services, information, referral, and counseling services, the preparation and

delivery of meals, health support services and appropriate combinations of services designed to meet the special needs of children, the aged, the mentally retarded, the blind, the emotionally disturbed, the physically handicapped, and alcoholics and drug addicts;

2. Expenditures for such services may include expenditures for:

- a. Administration (including planning and evaluation).
- b. Personnel training and retraining directly related to the provision of those services (including both short and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled in such institutions).
- c. Conferences or workshops, and training or retraining through grants to nonprofit organizations within the meaning of section 501 (c)(3) of the Internal Revenue Code of 1954 or to individuals with social services expertise, or through financial assistance to individuals participating in such conferences, workshops, and training or retraining (and this clause shall apply with respect to all persons involved in the delivery of such services).

ANTICIPATED RECEIPT DATES: Quarterly, October through September.

<u>GRANT USE:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
1. Financial Assistance to Individuals or Political Subdivisions:				
Grants to Counties	\$42,699.7	\$44,313.5	\$44,089.9	\$ 43,864.8
Day Care Contract	353.0	447.4	447.4	447.4
Subtotal	43,052.7	44,760.9	44,537.3	44,312.2

<u>GRANT USE:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
2. State Agency Operations:				
State Administration	\$ 2,232.0	\$ 2,232.0	\$ 2,232.0	\$ 2,232.0
Subtotal	2,232.0	2,232.0	2,232.0	2,232.0
Total Grant	\$45,284.7	\$46,992.9	\$46,769.3	\$46,544.2

The grants to counties are allocated in accordance with M.S. 256E.07

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested to accomplish the goals of this activity, except as indicated on the State Residential Facilities Program change pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : SOCIAL SERVICES
BUDGET ACTIVITY : COMMUNITY SOCIAL SERVICE GRANTS

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
REDISTRIBUTIONS	2,082	1,914	1,914	0	1,914	1,914	1,914	0	1,914	1,914
STATE OPERATIONS	2,082	1,914	1,914	0	1,914	1,914	1,914	0	1,914	1,914
LOCAL ASSISTANCE	93,285	95,076	93,789	2,209	95,998	95,998	93,564	2,657	96,221	96,221
TOTAL EXPENDITURES	95,367	96,990	95,703	2,209	97,912	97,912	95,478	2,657	98,135	98,135
CHANGE REQUESTS:										
B RTC NEGOTIATION - CASE MANAGEMENT				2,209		2,209		2,657		2,657
TOTAL CHANGE REQUESTS				2,209		2,209		2,657		2,657
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	48,799	50,599	49,699	2,209	51,908	51,908	49,699	2,657	52,356	52,356
STATUTORY APPROPRIATIONS:										
FEDERAL	46,568	46,391	46,004	0	46,004	46,004	45,779	0	45,779	45,779
TOTAL FINANCING	95,367	96,990	95,703	2,209	97,912	97,912	95,478	2,657	98,135	98,135
POSITIONS BY FUND:										
TOTAL POSITIONS										

ACTIVITY: CHILDREN'S SERVICES ADMINISTRATION 1990-91 Biennial Budget
 Program: SOCIAL SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

ACTIVITY OBJECTIVE:

1. To achieve permanent living arrangements for children in the homes of their natural parents, their adoptive parents, or permanent foster care.
2. To support movement to independence of adolescents.
3. To strengthen parental functioning of minor parents.
4. To ensure the development, enactment, and enforcement of laws, rules and policies which enhance the protection of children.
5. To assist agencies to deal effectively with children in reported abuse and neglect situations.
6. To provide guardianship services to children committed as dependent/neglected state wards.
7. To improve coordination/development and fiscal management of child care services.
8. To support and strengthen the development of culturally sensitive child welfare services for minority children and American Indian families.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of child placements in substitute care	11,700	11,700	11,700	11,700
No. of minority child placements	2,720	3,000	3,250	3,250
Percentage of children leaving substitute care in less than two years	65%	70%	70%	70%
No. of children reunified from substitute care	5,958	5,500	6,000	6,500
No. of children diverted from placement	22,493	19,500	20,000	23,000
No. of state ward adoptions finalized	248	280	316	375
No. of low income families receiving subsidized child care	8,000	9,500	20,000	20,000
No. of adolescents receiving Independent Living Skills services	350	400	1,810	1,810
No. of agencies trained in minority recruitment efforts	NA	15	25	30
No. of agencies trained in Child Protection Services	20	30	40	60

ACTIVITY DESCRIPTION:

Children's Services provides leadership in shaping policy, building capacity for service delivery, installing services, assuring compliance, and improving local agency performance in providing services for children and families. These functions are performed through the activities of technical assistance, training, consultation, technology transfer, monitoring, policy development, and collaboration with advocacy and provider groups. Specific target populations are children at risk of or in out-of-home placement, pregnant teens and minor parents, refugee unaccompanied minors, minority children, children under state guardianship, children in adoptive placement, adopted individuals and their families, children moving across state lines for placement,

children in need of protection who have been or are at risk of being abused or neglected, children needing a custody determination, American Indian families, and low income families receiving subsidized child care.

ACCOMPLISHMENTS AND GOALS:

1. During the period 1-1-86 through 12-31-88, 75,575 children have been diverted from an out-of-home placement and 20,771 children in placement have been reunified with their families. This achievement is a direct result of the implementation of the 1985 Permanency Planning Grants to Counties Act and the development and expansion of Family-Based Services Programs.
2. Twenty-five Indian Child Welfare Grants were awarded to enhance and improve child welfare services to American Indian Children.
3. Independent Living Skills Programs were developed and implemented to help adolescents learn the skills they require to function independently in society and to reduce their potential for becoming a part of the adult welfare system.
4. Risk Assessment Tool for child protection workers was researched, developed and pilot-tested in 10 counties. There are early indications that this tool, along with comprehensive training programs, will significantly improve the quality and effectiveness of child protection investigations.
5. Through a network of 137 grants, agreements with AVTI's, junior colleges, universities, etc., subsidized child care was provided to 3,400 AFDC households and 4,700 non-AFDC households.
6. The statewide network of Resource and Referral Services to parents, providers, employers, and counties was expanded to 35 counties from the original 4 counties.
7. Although the number of children who experience a placement in substitute care continues to hover around 11,000 per year, the average length of stay is slowly but steadily decreasing for those children who are not placed in out-of-home care on a long-term, permanent basis.
8. Recruitment efforts to secure minority foster parents and adoptive parents show early indications of achieving improved compliance with the federal and state mandates of "order of placement preference."

The major goals include:

1. Prevention of out-of-home placements through the provision of permanency planning grants and continued enhancement and expansion of intensive family-based services.
2. The development of "culturally sensitive" family-based services programs for minority families and American Indian families.
3. Reunification of children in out-of-home placement regardless of the child's disability or handicaps.
4. The extension of the statewide network of Child Care Resource & Referral services to 87 counties.
5. To increase the number of low-income families receiving subsidized child care in order to secure employment and/or training.
6. To provide a training program for local county agency staff child welfare and child protection services.
7. To reduce the numbers of minority children in substitute care; to increase the number of special needs children placed in adoptive homes.
8. To increase the number of adolescents receiving Independent Living Skills training.
9. To assure the development of a services plan for every minor parent and

ACTIVITY: CHILDREN'S SERVICES ADMINISTRATION 1990-91 Biennial Budget
 (Continuation)
 Program: SOCIAL SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

their child.

- 10. To provide for on-site monitoring of children's services programs.
- 11. To assure compliance with federal mandates and enhance the capture of federal funds for children's services.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of children under state guardianship	762	840	950	1,070
No. of refugee unaccompanied minors	300	400	500	600
No. of children under Interstate Placement Compact	1,025	1,125	1,200	1,275
No. of adolescent parent cases	1,191	1,241	1,291	1,341
No. of local Indian Child Welfare workers recruited and trained	31	31	39	39

LEGISLATIVE ISSUES:

Revisions will be proposed to consolidate the Child Care Fund and provide a one year transition period for PATHS graduates. Responsibility to serve runaway and homeless youth will be requested. Several amendments to child protection statutes would define reasonable efforts requirements for family reunification, clarify functions of child protection teams and establish authority for child mortality review teams. Proposals to amend permanency planning grants and to allocate federal Title IV-E disallowances to county agencies will be submitted. Proposed amendment to M.S. 259.21, subd. 6 and M.S. 259.47 would permit fees charged for post-adoption searches to be returned to the General Fund.

FEDERAL ISSUES:

If HR 2753 (Matsui Bill) passes in Congress, the Title IV-E Independent Living Skills program would be expanded to include ALL 16-18 year old adolescents in foster care, regardless of their IV-E eligibility status. The population of adolescents to be served would increase from 400 to 1,810 adolescents in federal F.Y. 1990.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested to accomplish the goals of this activity except as indicated on the following change page.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : SOCIAL SERVICES
BUDGET ACTIVITY : CHILDRENS SERVICES ADMINISTRATION

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	996	1,211	1,213	99	1,312	1,312	1,213	99	1,312	1,312
EXPENSES/CONTRACTUAL SRVCS	257	192	357	3	360	360	392	4	396	396
MISC OPERATING EXPENSES	69	81	81	6	87	87	81	4	85	85
SUPPLIES/MATERIALS/PARTS	13	15	15	3	18	18	15	3	18	18
CAPITAL EQUIPMENT	30	5	5	18	23	23	5	0	5	5
REDISTRIBUTIONS	22	383	383	0	383	383	383	0	383	383
STATE OPERATIONS	1,387	1,887	2,054	129	2,183	2,183	2,089	110	2,199	2,199
LOCAL ASSISTANCE	70	98	98	0	98	98	98	0	98	98
TOTAL EXPENDITURES	1,457	1,985	2,152	129	2,281	2,281	2,187	110	2,297	2,297
CHANGE REQUESTS:	FUND									
B TITLE IV-E REIMBURSEMENT PROJECT	GEN									
				129		129		110		110
TOTAL CHANGE REQUESTS				129		129		110		110
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	188	221	388	129	517	517	423	110	533	533
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	109	0	0	0	0	0	0	0	0	0
FEDERAL	1,159	1,764	1,764	0	1,764	1,764	1,764	0	1,764	1,764
GIFTS AND DEPOSITS	1	0	0	0	0	0	0	0	0	0
TOTAL FINANCING	1,457	1,985	2,152	129	2,281	2,281	2,187	110	2,297	2,297
POSITIONS BY FUND:										
GENERAL	1.0	2.0	2.0	3.0	5.0	5.0	2.0	3.0	5.0	5.0
FEDERAL	25.0	34.0	34.0	0.0	34.0	34.0	34.0	0.0	34.0	34.0

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : SOCIAL SERVICES
BUDGET ACTIVITY : CHILDRENS SERVICES ADMINISTRATION

POSITIONS BY FUND:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
TOTAL POSITIONS	26.0	36.0	36.0	3.0	39.0	39.0	36.0	3.0	39.0	39.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: CHILDREN'S SERVICES ADMINISTRATION
 PROGRAM: SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: TITLE IV-E REIMBURSEMENT PROJECT

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
General Fund	\$ 129	3.0	\$ 110	3.0
Governor's Recommendation				
General Fund	\$ 129	3.0	\$ 110	3.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to develop 2 new revenue enhancement projects to increase federal reimbursement by \$2 million annually for Title IV-E foster care administration. This is part of the department's children's initiative.

DESCRIPTION/BACKGROUND:

Reimbursement for Title IV-E foster care has grown from approximately \$2 million in 1984 to \$8 million in 1988 due to the development and implementation of a method of more accurately determining allowable costs for social services staff at the state and county level. Reimbursement for these county provided services is generated by the Social Services Time Study report, yet no mechanism exists to claim reimbursement for the expenditures for purchase of service contracts and treatment foster care. This project would develop mechanisms for reimbursement of these expenditures.

Based on recent Title IV-E federal audits there is a need to improve county compliance; provide eligibility training to agency staff and purchase of service vendors at the county level; and promulgate statewide standards for Title IV-E compliance.

These positions earn federal administrative reimbursement at the rate of 50%.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
IV-E Administrative Reimbursement received	\$ 8,000	\$ 10,000	\$ 12,000	\$ 14,000

RATIONALE:

This request is necessary to provide staff to develop and implement the project designed to increase reimbursement by \$2 million annually. Reimburse-

ment based on these projects would be distributed to county agencies based on the Title IV-E rule.

BASE: None.

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 110	\$ 110

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. This request is a component of the Governor's Initiative on Children. This request will generate \$120,000 for the biennium, which will be non-dedicated receipts to the General Fund.

ACTIVITY: CHILDREN'S SERVICES GRANTS 1990-91 Biennial Budget
 Program: SOCIAL SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

ACTIVITY OBJECTIVE:

Children's Services makes grants to counties and individuals for children's programs throughout the state:

I. PERMANENCY PLANNING GRANTS GRANT DESCRIPTION:

Provides grants to counties based on child population for the purpose of preventing out-of-home placement of children where possible and to reduce the length of time and number of children in temporary placement by their return to own home or placement for adoption.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number of children diverted from placement	22,493	19,500	19,000	18,900
Number of children reunified	5,958	5,500	5,000	5,000
Number of state wards adopted	248	280	316	375

GRANTS BY FUND:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General	\$ 3,398	\$ 3,398	\$ 3,398	\$ 3,398
Federal	1,630	1,300	1,300	1,300

II. SUBSIDIZED ADOPTIONS GRANT DESCRIPTION

Adoption subsidies are provided by the state agency directly to families adopting a child with special needs determined to be eligible for a subsidy by the local agency. The special needs may be due to physical, mental, or emotional disabilities, age, minority, or ethnic heritage.

STATISTICS:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Total number of children receiving a subsidy	819	1,019	1,200	1,325
Average cost per subsidy:				
State Only eligible	\$ 3,400	\$ 3,500	\$ 3,600	\$ 3,700
Title IV-E Eligibles:				
State Share	\$ 1,900	\$ 1,970	\$ 2,000	\$ 2,100
Federal Share	\$ 2,200	\$ 2,230	\$ 2,300	\$ 2,400

GRANTS BY FUNDS:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General	\$ 1,020	\$ 1,374	\$ 1,251	\$ 1,251
Federal	\$ 741	\$ 980	\$ 980	\$ 980

III. INDEPENDENT LIVING SKILLS GRANT DESCRIPTION:

Grants to counties are made to the extent federal funds are available. Under the Support for Emancipation and Living Functionally (SELF) program counties received \$1,089 per adolescent to fund activities which prepared youth for exiting foster care. Under the ALS program (Adolescent Life Skills Innovative Program), 7 grantees were awarded funds to develop life skills training programs. The adolescent must be between 16 to 18 years of age, in foster care, and Title IV-E eligible.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number of adolescents age 16-18 in foster care	1,950	1,950	1,810	1,810
Number of adolescents who are Title IV-E eligible	350	400	1,810	1,810

GRANTS BY FUND:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Federal	\$ 570	\$ 734	\$ -0-	\$ -0-

IV. CHILD CARE FUND GRANT DESCRIPTION:

Child care subsidies are provided to families for employment and training purposes through a network of 137 grants, agreements with AVTI's, junior colleges, universities, etc.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
AFDC families served	3,400	4,500	4,500	4,500
Non-AFDC families served	4,700	5,500	5,500	5,500

GRANTS BY FUND	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General	\$ 7,864	\$ 17,769	\$ 13,027	\$ 13,027

V. INDIAN CHILD WELFARE GRANTS GRANT DESCRIPTION:

Child culturally sensitive program grants established to better address current Indian needs; establish a statewide advisory committee; and, an evaluation and monitoring system to assure quality of programs and reduction in the numbers of Indian children placed in foster care.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number of Indian children served	2,200	2,400	2,400	2,400
Percent placements prevented	14%	16%	18%	22%
Compliance with order of placement preference	65%	70%	75%	80%

STATISTICS:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General	\$ 1,352	\$ 1,665	\$ 1,509	\$ 1,509

ACTIVITY: CHILDREN'S SERVICES GRANTS
(Continuation)

1990-91 Biennial Budget

Program: SOCIAL SERVICES
Agency: HUMAN SERVICES, DEPARTMENT OF

VI. FORGOTTEN CHILDREN FUNDS GRANT DESCRIPTION:

This is a fund of private donations, primarily from the American Legion, which is used for children in foster care and for children with mental retardation. It pays for such things as musical instruments and class rings.

VII. SERVICE DEVELOPMENT CHILD CARE GRANT DESCRIPTION:

To develop a statewide network of Resource and Referral Services which provide technical assistance, education and support to parents, provider agencies, employers, and the public sector agencies. To improve and develop licensed child care services through improved staff training and program development grants.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Resource and Referral Services developed in counties	4	35	45	45

(Dollars in Thousands)

GRANTS BY FUND:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General	\$ 127	\$ 523	\$ 400	\$ 400

LEGISLATIVE ISSUES:

A Children's Initiative will be proposed to: (1) create a Permanency Planning grant for minority children and their families; (2) expand the statewide campaign for the recruitment of homes for minority children; (3) create a demonstration grant to serve Homeless Youth; (4) create demonstration grants to serve high-risk or pregnant adolescents; and, under the Mental Health program, to create a demonstration program of therapeutic foster care and family-based treatment programs for emotionally disturbed children.

VIII. MIGRANT DAY CARE DESCRIPTION:

The Minnesota Migrant Child Development Program operates 13 full-day, bilingual/bicultural day care centers for 6 weeks in June and July to assist migrant families with child care. The children range in age from 6 weeks to 3 year old.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Children funded	800	800	800	800
Children Served	849	1,018	1,018	1,018

(Dollars in Thousands)

GRANTS BY FUND:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
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General	\$ 122	\$ 122	\$ 122	\$ 122
Federal	168	447	447	447

IX. TITLE IV-E FOSTER CARE DESCRIPTION:

Title IV-E of the Social Security Act provides federal reimbursement for a portion of the maintenance costs for eligible children in substitute care. It also provides reimbursement for administrative and training costs related to substitute care placements.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
IV-E eligible child placements	1,821	1,875	1,875	1,875

(Dollars in Thousands)

GRANTS BY FUND:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Federal	\$ 13,464	\$ 23,500	\$ 23,500	\$ 23,500

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested to accomplish the goals of this activity except as indicated on the following change pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : SOCIAL SERVICES
BUDGET ACTIVITY : CHILDRENS SERVICES GRANTS

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	198	315	109	455	564	528	109	455	564	528
EXPENSES/CONTRACTUAL SRVCS	83	71	10	433	443	442	10	402	412	411
MISC OPERATING EXPENSES	29	39	17	24	41	39	17	28	45	43
SUPPLIES/MATERIALS/PARTS	12	8	2	8	10	9	2	9	11	10
CAPITAL EQUIPMENT	40	67	1	81	82	76	1	0	1	1
REDISTRIBUTIONS	710	820	820	0	820	820	820	0	820	820
STATE OPERATIONS	1,072	1,320	959	1,001	1,960	1,914	959	894	1,853	1,813
AIDS TO INDIVIDUALS	1,750	2,349	2,226	258	2,484	2,484	2,226	320	2,546	2,546
LOCAL ASSISTANCE	27,805	48,495	42,824	9,628	52,452	50,492	42,824	9,759	52,583	50,604
TOTAL EXPENDITURES	30,627	52,164	46,009	10,887	56,896	54,890	46,009	10,973	56,982	54,963
CHANGE REQUESTS:										
B CHILD CARE FUND GRANTS	GEN			6,745		5,979		6,745		5,966
B SUBSIDIZED ADOPT-POST ADOPT SVCS	GEN			350		350		400		400
B PERMANENCY PLANNING MINORITY FAMS	GEN			1,400		1,400		1,400		1,400
B CHILD PROTECTION	GEN			504		504		446		446
B MINORITY PARENTS-SUBSTITUTE CARE	GEN			188		188		182		182
B HOMELESS ADOLESCENTS	GEN			200		200		300		300
B ADOLESCENT PARENTS	GEN			200		0		200		0
B SERVICE DEVELOPMENT CHILD CARE GRANTS	GEN			1,300		1,300		1,300		1,300
B TRANSFER CHILD CARE FUNDS FOR NON-AFDC HIGHER ED	GEN			0		<1,040>		0		<1,040>
TOTAL CHANGE REQUESTS				10,887		8,881		10,973		8,954
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	13,883	25,051	19,707	10,887	30,594	28,588	19,707	10,973	30,680	28,661
STATUTORY APPROPRIATIONS:										
FEDERAL	16,723	27,094	26,297	0	26,297	26,297	26,297	0	26,297	26,297

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : SOCIAL SERVICES
BUDGET ACTIVITY : CHILDRENS SERVICES GRANTS

SOURCES OF FINANCING:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
GIFTS AND DEPOSITS	21	19	5	0	5	5	5	0	5	5
TOTAL FINANCING	30,627	52,164	46,009	10,887	56,896	54,890	46,009	10,973	56,982	54,963
POSITIONS BY FUND:										
GENERAL	1.0	1.0	1.0	13.0	14.0	13.0	1.0	13.0	14.0	13.0
FEDERAL	6.5	6.0	6.0	0.0	6.0	6.0	6.0	0.0	6.0	6.0
TOTAL POSITIONS	7.5	7.0	7.0	13.0	20.0	19.0	7.0	13.0	20.0	19.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: CHILDREN'S SERVICES GRANTS
 PROGRAM: SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: CHILD PROTECTION TRAINING, TECHNICAL ASSISTANCE, AND CHRONIC NEGLECT GRANTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 504	4.0	\$ 446	4.0
Governor's Recommendation				
General Fund	\$ 504	4.0	\$ 446	4.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department is requesting these funds and positions to: (1) develop a child protection training curriculum; (2) provide technical assistance to counties in implementing new policies regarding child protection and other children's services programs and to organize, manage and conduct the Minnesota Child Mortality Review Panel; and (3) create a diagnostic and treatment demonstration project in 4 local social services agencies for chronically neglectful families. This is part of the department's initiative on children's services.

DESCRIPTION/BACKGROUND:

- 1988 Laws of Minnesota, Ch. 630 requires, when funds are appropriated, the development and implementation of a program of preservice and probationary education for child protection workers. The lack of consistency across counties in the provision of child protection services has been a major public and legislative concern. One response to the problem is the development of an ongoing training program for child protection service (CPS) workers.
- There have been significant changes in legislation over the last 5 years relating to child protection. Additionally, a new child protection rule went into effect on 8-15-88. Counties have expressed concern about their ability to implement these new policies. On-site technical assistance is needed to assure compliance with federal mandates under Public Law 96-272, the Title IV-E Foster Care Program and the increasing demands of the child care fund. Increasing numbers of constituent complaints are referred to the department by legislators, other state agencies and members of the congressional delegation which require prompt investigation, settlement and feedback. Currently there is little capability to do on-site investigation and follow up to assure that clients are receiving appropriate attention and the conditions of service delivery are corrected when necessary.
- During 1986, 19,041 reports of suspected abuse and neglect of 27,306

children were made to social service and/or law enforcement authorities. Of these reports, 7,905 were for possible child neglect. These reports covered 13,938 children. Minnesota has made significant strides in recent years in prevention, intervention and treatment of child physical and sexual abuse. At the same time, there has been little attention to the neglect cases, which constitute 40% of the maltreatment reports. One-third of these cases constitute chronic neglect. An estimated one-fourth of these children were placed in substitute care because of neglect. In more than 50% of the child deaths reviewed by the Child Mortality Panel, the initial maltreatment report was one of neglect.

This demonstration project will use the department's risk assessment criteria to initially assess families' eligibility for the chronic neglect project. The local coordinator will call together an interdisciplinary treatment team to plan and coordinate services to these families and assure that agreed upon services are provided. This team will act as a subcommittee to the local child protection team and all members will have direct service responsibilities for a specific family.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Neglected families and children	8,000	8,300	8,500	8,800
Cases reviewed	-0-	-0-	500	800
No. of counties receiving technical assistance	-0-	-0-	87	87
Complaint investigations (est.)	540	590	650	715

RATIONALE:

- The department will contract for specialized curriculum development in child protection training. This will be a 2-year project.
- The positions for technical assistance would provide the department with the ability to assist the counties in understanding and implementing the new requirements and monitoring county compliance with the new requirements.
- The chronic neglect project will provide better identification, planning, coordination of services and support to families where neglect exists. The provision of services to these families is labor intensive for the local social services agencies. This project will assist the social services system to meet the needs of these families. Child mortality due to neglect may be reduced. This demonstration project could be replicated in other counties once it has been completed.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	<u>(Dollars in Thousands)</u>	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 161	\$ 161

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. This request is a component of the Governor's Initiative on Children.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: CHILDREN'S SERVICES GRANTS
 PROGRAM: SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: PERMANENCY PLANNING: MINORITY FAMILIES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$1,400	1.0	\$1,400	1.0
Governor's Recommendation				
General Fund	\$1,400	1.0	\$1,400	1.0

Request requires statutory change: X Yes _____ No
 Statutes Affected: Ch. 256F

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and position to increase the amount of monies available for permanency planning efforts directed toward placement prevention and reunification of children in out-of-home placement. The increased grant monies will be designated for minority children and their families. A staff person will develop new planning requirements, implement statewide policy governing the new initiative target group, provide on-site technical assistance to county agencies, design fiscal and program quarterly reports and assure compliance with federal Title IV-B mandates. This is part of the department's initiative on children's services.

DESCRIPTION/BACKGROUND:

The Permanency Planning Grants to Counties Act was enacted during the 1985 legislative session. A cornerstone of permanency planning is the provision of intensive, in-home, family based services which is a successful means of keeping families intact. An 18 month evaluation of the program and the children served has been completed and will be submitted during the 1989 legislative session.

In 43% of the cases entering the child welfare system, the reason for agency involvement was child abuse/neglect. In an additional 10% of the cases, the reason for involvement was family conflict and violence.

The number of minority children in placement is disproportionately high when compared to their percent of the state's child population. This trend continues upward even with the diversion and reunification of many minority children.

Given the increasing number of minority children in substitute care throughout Minnesota, it is apparent that additional resources are needed to expand and uniquely design family based services programs for minority children. A revised allocation formula may be proposed by the department to more appro-

priately identify the specific populations to be served.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Children diverted from placement	22,493	19,500	23,000	26,000
Children reunified with family	5,958	5,500	6,500	7,500

RATIONALE:

Permanency planning efforts must be supported by sufficient funding to meet the demonstrated need. Family based services programs need to be implemented which are culturally related to minority families. Because preplacement preventive and family reunification services are an entitlement under the provisions of P.L. 96-272 (Adoption Assistance and Child Welfare Act of 1980), it is important that these added resources be available to benefit the specially defined target groups.

Quarterly fiscal and program reports must be reviewed, monitored for both program and fiscal compliance and technical assistance and supervision provided to the 87 county social services agencies. Since Title IV-B, Child Welfare funds already make up a portion of the first permanency planning program; compliance with federal mandates must be assured so the receipt of future Title IV-B funds is not jeopardized.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 3,398	\$ 3,398	\$ 3,398	\$ 3,398

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 1,400	\$ 1,400

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. This request is a component of the Governor's Initiative on Children.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: CHILDREN'S SERVICES GRANTS
 PROGRAM: SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: MINORITY PARENTS AND SUBSTITUTE CARE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 188	2.0	\$ 182	2.0
Governor's Recommendation				
General Fund	\$ 188	2.0	\$ 182	2.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to strengthen the state's supervision of substitute care and to increase the statewide public education campaign to recruit critically needed foster and adoptive minority and American Indian homes. This will include coordination of minority child welfare services and provision of training and technical assistance statewide on substitute care. This is a part of the department's initiative on children's services.

DESCRIPTION/BACKGROUND:

Since 1979, 6 major laws have been enacted (2 federal, 4 state) which continue to have a significant impact on all children and especially on minority and Indian children. Substitute care placement dropped 23% between 1979 and 1986. Minority child placement rate increased from 19% to 21% so that in 1986-87, 26% of all the children in placement are minority and American Indian.

Although mandates exist, the development and availability of culturally sensitive programming and training lags. The percentage of minority children in substitute care continues to be disproportionately high when compared to their percent of the entire child population. Efforts to divert these children from placement and reunite them with their families requires the development of a culturally sensitive family-based service program.

Of the adoption decrees finalized in 1986 for minority children born in Minnesota, 61% of the children were adopted by parents of the same race. Of the Black and Indian children placed in foster care in 1986, 63% of the Black children and 51% of the Indian children were placed in foster homes of like race. One 2 out of 10 Asian children are placed in like-race foster homes.

There is a low level of public awareness and understanding of the need for permanent foster and adoptive homes for minority and American Indian child-

ren.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Minority children in placement	2,720	3,000	3,250	3,250
No. of child placements	11,700	11,700	11,000	10,000
No. of minority child placements	2,720	3,000	3,250	3,250

RATIONALE:

Additional staff are required to comply with new laws on children in substitute care and to develop, administer and implement statewide culturally sensitive programming for minority children. These positions earn federal administrative reimbursement at the rate of 50%. Funds would provide both a public education and recruitment campaign and a staff development effort to increase compliance with the Minority Heritage Act, Minority Family Preservation Act and the American Indian Family Preservation Act.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 182	\$ 182

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. This request is a component of the Governor's Initiative on Children. This request will generate \$86,000 for the biennium, which will be non-dedicated receipts to the General Fund.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: CHILDREN'S SERVICES GRANTS
 PROGRAM: SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: CHILD CARE SERVICE DEVELOPMENT AND RESOURCE AND REFERRAL

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$1,300	-0-	\$1,300	-0-
Governor's Recommendation				
General Fund	\$1,300	-0-	\$1,300	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests these funds to expand and enhance the network of child care resource and referral services throughout the state. This is a part of the department's initiative on children's services.

DESCRIPTION/BACKGROUND:

Child care resource and referral services provide education, support, and technical assistance to parents seeking child care, providers, and employees. As of F.Y. 1989, 35 counties will receive services. Service grants are used to start up, expand, and improve licensed spaces for child care. One hundred five grants and contracts were distributed statewide to improve and expand child care services.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Counties served by resource and referral service sites	4	35	45	55

RATIONALE:

State monies are needed to expand the network of resource and referral services to other counties while maintaining standards for data collection and management information systems so services are consistent and coordinated. Currently, in greater Minnesota there is 1 space for every 6-10 children. In the metro area there is 1 space for every 4 children. Grant monies are needed to generate spaces as well as targeting grants to meet the greatest need in a geographic area and for specific services.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 250	\$ 400	\$ 400	\$ 400

LONG RANGE IMPLICATIONS:

General Fund Expenditures

(Dollars in Thousands)
 F.Y. 1992 F.Y. 1993

\$ 1,300 \$ 1,300

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. Of the funds recommended, \$1,600,000 is for the purpose of completing the Child Care Resource and Referral System statewide by the end of the biennium. An additional \$1,000,000 is for the purpose of Service Development grants targeted to meeting the greatest needs for child care. This request is a component of the Governor's Initiative on Children.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: CHILDREN'S SERVICES GRANTS
 PROGRAM: SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: SUBSIDIZED ADOPTIONS AND POST-ADOPTION SERVICES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 350	2.0	\$ 400	2.0
Governor's Recommendation				
General Fund	\$ 350	2.0	\$ 400	2.0

Request requires statutory change: X Yes _____ No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to increase participation in the subsidized adoption program and to conduct post-legal adoption searches. This is part of the department's initiative on children's services.

DESCRIPTION/BACKGROUND:

Public response to adopting special needs children under the subsidy program has increased the need for funds. The children eligible to be adopted will continue to increase because of federal/state mandates for permanent homes for children.

Two areas of adoption and guardianship services have shown a rapid increase in the past 3 to 5 years with no additional staff allocation. First, public response to adopting special needs children under the subsidy program has greatly increased the administrative work load. The adoption subsidy program includes children with handicaps, sibling groups and children of minority and American Indian heritage. An adoptive placement of these children provides them with a permanent family and reduces local costs because of reduced foster care caseloads. Adoption delays are occurring for these children. Adoption subsidies now will continue to age 22, thus enlarging the department's caseload. The staff person managing the subsidy program would ensure the maximum drawdown of federal dollars to support the subsidy program.

Second, the demand for post-adoption services has a 6 month backlog and will continue to increase as public requests for information on birth parents and siblings continue to rise sharply. Private agencies charge a fee for post-adoption searches averaging \$150 per client. State fees would parallel the private agency standard.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Children in subsidy program	819	1,019	1,200	1,325
% of IV-E eligibility subsidy children	74	76	80	83
Subsidized Adoptions	819	1,019	1,200	1,325
State Wards	762	840	950	1,070
Post-Adoption Requests	60	75	125	200

RATIONALE:

Federal law provides that the monthly maintenance payments under the Subsidized Adoption Program may not exceed the monthly foster care maintenance payment. The numbers of children eligible for the federal IV-E subsidized adoption program is increasing. Until they "age out" of the subsidized adoption program, there will continue to be children on the state-only subsidy program. State funds are needed to cover increased numbers of eligible children for that portion of the subsidy not reimbursed by federal title IV-E funds.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 1,143	\$ 1,251	\$ 1,251	\$ 1,251

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 400	\$ 400

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. This request is a component of the Governor's Initiative on Children. The request will generate non-dedicated receipts to the General Fund. An estimate of the receipts to be received will be submitted with proposed legislation.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: CHILDREN'S SERVICES GRANTS
 PROGRAM: SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: ADOLESCENT PARENTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 200	1.0	\$ 200	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and position to provide services to high risk adolescents, pregnant adolescents, and minor parents. These funds may include the match for the Manpower Demonstration Research Corporation (MDRC) grant and money to develop Request for Proposals (RFP) for additional preventive efforts.

DESCRIPTION/BACKGROUND:

There exists a number of adolescents known to social services agencies to be at greater risk of pregnancy or repeated pregnancy because of vulnerabilities such as chemical use, emotional disturbance, developmental delay, a history of sexual abuse, family dysfunction, or out of home placement. Currently there is no state supported effort toward this client group. The New Chance Program Model (MDRC grant) would provide intensive services on-site to 17-21 year old mothers. Pilot efforts in other states have been successful in moving clients into self-sufficiency.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number of high risk adolescents	1,191	1,241	1,291	1,341
Births to adolescents	1,600	1,625	1,650	1,700

RATIONALE:

Prevention of unplanned pregnancy for high-risk adolescents will help reduce Aid to Families with Dependent Children (AFDC) demand by high-risk adolescents. Local agencies lack capacity for program development without consultation and funding targeted for development. Staff could work with new and existing adolescent programs toward reduction in the number of adolescent parents on AFDC. This could provide a state match for MDRC funding to establish a site in Minnesota for the New Chance Program for adolescent mothers and their children. Funds would provide for proposals for 1 or 2

programs addressing male responsibility, alternative placements for teen mothers with infants and pregnancy prevention for high-risk youth.

BASE: None.

LONG RANGE IMPLICATIONS: (Dollars in Thousands)
 F.Y. 1992 F.Y. 1993

General Fund Expenditures \$ 200 \$ 200

GOVERNOR'S RECOMMENDATION:

The Governor recommends that this request be funded in the amount requested under the CHANGE request titled "Joining Forces Pilot Project--Improve Access to Schools" in the Family Support Program.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: CHILDREN'S SERVICES GRANTS
 PROGRAM: SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: HOMELESS ADOLESCENTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 200	1.0	\$ 300	1.0
Governor's Recommendation				
General Fund	\$ 200	1.0	\$ 300	1.0

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 260.315; 260.163; 260.171

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and position to provide staff to support policy development and community assistance for homeless adolescents. Policy development and community assistance will include: (1) evaluation of the current services and needs for homeless youth; (2) consultation with cities and counties to identify the resources and determine the need for services; (3) coordination and planning with other state agencies (i.e., Education, Jobs and Training and Corrections); (4) activity coordination and information assistance to homeless youth programs, counties and other agencies; and (5) management of contracts and grants to serve homeless adolescents. This request is part of the departments initiative on children's services.

DESCRIPTION/BACKGROUND:

Homeless youth are either runaways or forced out of their home by family disruption. They frequently are dependent on an abusive adult, such as a pimp or drug dealer to provide shelter. The number of homeless youth in the state is rapidly growing. These youth are in need of safe, nonabusive shelter, medical care, food, education and assistance to make the transition from the streets to healthy adults in the community.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Homeless adolescents	1,000	1,100	1,200	1,300

RATIONALE:

There needs to be a comprehensive social service system to address the increasing numbers and complex needs of homeless youth. A staff person is needed to assist and support a network of community service providers for homeless youth. Services delivered through targeted funds for homeless adolescents would

address those youth most at risk of long term dependence on financial and social services. Community-based service agencies would be most successful in engaging these youth and serving as their case manager. These monies would be made available to counties and non-governmental agencies.

The demonstration project would provide an estimated 10 to 15 short-term beds for homeless youth as well as 1 to 4 additional outreach workers to supplement current outreach efforts to homeless youth.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 300	\$ 300

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. This request is a component of the Governor's Initiative on Children.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: CHILDREN'S SERVICES GRANTS
 PROGRAM: SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: CHILD CARE FUND GRANTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$6,745	2.0	\$6,745	2.0
Governor's Recommendation				
General Fund	\$5,979	2.0	\$5,966	2.0

Request requires statutory change: x Yes _____ No
 Statutes Affected: M.S. 268.91

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to increase the number of low and moderate income families receiving child care subsidies. This will include administration of the fund, management of the contracts for resource and referral and service development grants; and, coordination of interagency program administration. This increase will provide 12 months of sliding fee child care to former Aid to Families with Dependent Children (AFDC) recipients (PATHS graduates). This will also reduce the waiting lists for subsidized child care to less than a year. This is part of the department's initiative for children's services and welfare reform initiative.

DESCRIPTION/BACKGROUND:

A total of 8,000 families receive subsidized child care. Waiting lists for child care now range to as long as 3 years. The number of licensed child care spaces has been decreasing during the past two years and available spaces will only accommodate 1 out of 3 children. There continues to be a severe shortage of infant care, sick care, special needs care and after school child care. As more AFDC parents enroll in training or seek employment, the demand for licensed quality child care will increase the demand for subsidies.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
AFDC families served	3,400	4,500	8,000	8,000
Other low income families served	4,700	5,500	10,000	10,000

RATIONALE:

Increasing the child care subsidy program will provide child care for an additional 3,500 eligible families who are employed or in training for employment. Legislation is being proposed to provide child care subsidies for one year to those families which leave AFDC for earned income, and to subsidize current AFDC recipients. (59% of the appropriation will generate

federal financial participation.) This proposal is made in cooperation with the Welfare Reform proposal.

(Dollars in Thousands)

BASE:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 12,800	\$ 12,958	\$ 12,758	\$ 12,758

(Dollars in Thousands)

LONG RANGE IMPLICATIONS:	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 6,745	\$ 6,745

GOVERNOR'S RECOMMENDATION:

After review of this activity, the Governor recommends an alternative funding of \$11,945,000 and that the agency use \$7,000,000 of these funds to meet the child care needs of parents exiting AFDC. In addition, \$2,200,000 is for the purpose of providing child care to minor parents to allow them to complete a high school, diploma or GED program, \$1,600,000 is to assist parents older than 18 to complete high school, GED or other basic adult education, \$1,000,000 is made available for increased basic sliding fee subsidy for child care and .145 and 2.0 positions are for the purpose of sliding fee and Service Development grant administration. This request is a component of the Governor's Initiative on Children.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: CHILD CARE FUND GRANTS
 PROGRAM: SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: TRANSFER CHILD CARE FUND BASE ALLOCATION FOR NON-AFDC POST-SECONDARY STUDENTS TO THE HIGHER EDUCATION COORDINATING BOARD

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Governor's Recommendations				
General Fund	\$(1,040)	-0-	\$(1,040)	-0-

Request requires statutory change: X Yes _____ No
 Statutes Affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends a transfer of the BASE allocation of \$2,080 for child care sliding fee subsidy for non-AFDC post-secondary students to the Higher Education Coordinating Board (HECB) for their administration of the child care sliding fee subsidy program on campuses.

DESCRIPTION/BACKGROUND:

There have been numerous problems with the joint county/school administration of the child care sliding fee subsidy for non-AFDC students. The problems have resulted in access problems for students, administrative problems for counties and in funds being unspent or reallocated to non-education purposes.

RATIONALE:

In order to provide better service to students who are financially eligible for child care sliding fee subsidy, but who do not receive AFDC, the HECB has agreed to take over the administration of this component of the Child Care Fund. Additional new monies will be requested for this purpose in their budget request. In agreeing to administer this program, the HECB has also agreed to adhere to the basic sliding fee statute and rule as promulgated by the Department of Human Services so as to assure a program which is essentially the same for students, irrespective of their AFDC status.

<u>BASE:</u>	(Dollars in Thousands)			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General Fund Expenditures	\$ 1,040	\$ 1,040	\$ 1,040	\$ 1,040

<u>LONG RANGE IMPLICATIONS:</u>	(Dollars in Thousands)	
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>
General Fund Expenditures	\$ (1,040)	\$ (1,040)

ACTIVITY: DEVELOPMENTAL DISABILITIES ADMINISTRATION 1990-91 Biennial Budget
 Program: SOCIAL SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

ACTIVITY OBJECTIVE:

To promote maximum individual self-sufficiency and integration of persons with developmental disabilities into the community by implementing state laws and policies and managing programs which provide high quality, cost-effective services.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Reduction of net population of persons with DD in RTCs	150	200	180	180
Relocation of persons in nursing home to community settings	35	115	115	120
Relocation of residents of community ICF/MR with closure agreements	398	200	175	150
Reduction of out-of-home placement of children	659	725	745	745
Percent of persons receiving habilitation services in supported employment (10 hours/week in integrated settings)	5%	7%	10%	15%

ACTIVITY DESCRIPTION:

This activity plans, develops, and coordinates community-based services for persons with developmental disabilities who require services from public agencies. The Division for Persons with Developmental Disabilities supervises county human services agencies which administer the programs, proposes state policies, legislation and rules, and administers them as adopted and legislated. Examples include policies, laws and rules pertaining to planning, case management, and determination of need for clients of public and private residential and day services. Staff provide technical assistance and training to counties and service providers. Assistance is directed toward community integration and self-sufficiency for persons with developmental disabilities in the least restrictive, most appropriate, effective setting.

This activity functions to: (1) assure the quality and appropriateness of services by promulgating and administering rules pertaining to case management, day habilitation, and residential services; (2) protect the rights of persons residing in regional treatment centers (RTCs) and community-based services by implementing the department rule pertaining to aversive and deprivation procedures and funding guardianship activities; (3) assist county agencies in determining the appropriateness of placements and services, relocating residents as needed and developing new services as needed; (4) develop appropriate community services and resources for persons in intermediate care facilities for persons with mental retardation (ICFs/MR) that are closing; (5) approve special rates for persons with special needs; (6) relocate persons residing in RTCs to community-based settings, including persons with special needs and children, as specified in the Welsch Negotiated Settlement and by department policy; (7) supervise and manage the administration of community-based services and grant activities, e.g., the Home and Community-Based Services Waiver, Family Subsidy and Semi-Independent Living Services (SILS), to insure appropriate allocation of resources,

eligibility of persons served and reimbursement to counties and service providers; (8) facilitate implementation of an integrated, real work model for day habilitation through supported employment initiatives and development of new rate structures; and (9) develop and manage information systems necessary to provide data and information needed by public policy makers and managers for policy development, monitoring, determination of need for new services and managing grant allocations.

ACCOMPLISHMENTS AND GOALS:

Accomplishments:

Major accomplishments include: (1) implementation of the Home and Community Based Services Waiver; (2) relocation of more than 500 residents of state RTCs to community-based settings, including all children; (3) entering into a federal agreement to relocate persons with mental retardation inappropriately placed in nursing homes; (4) compliance with the requirements of the Welsch Negotiated Settlement; (5) closure of 10 community-based ICFs/MR and relocation of nearly 600 residents to more appropriate settings; (6) implementation of DHS Rule 40 regarding aversive and deprivation procedures; and (7) training and technical assistance to county personnel.

Goals:

During the F.Y. 1990-91 biennium, emphasis will continue to be on the development of services in the community, preferably in the client's own home. Major goals include: (1) relocating additional persons residing in RTCs in accordance with specified departmental objectives; (2) full compliance with the federal mandate to relocate inappropriately placed nursing home residents; (3) obtain approval for amending the Home and Community-Based Services Waiver to facilitate relocation of persons inappropriately placed in nursing homes; (4) continued closure and downsizing of large, congregate community-based ICFs/MR; (5) implementation of the revisions to Rule 34 regarding community-based ICFs/MR and Rule 42 regarding community residential habilitation services; and (6) continued work with counties to bring them into full compliance with Rule 185 regarding case management.

ACTIVITY STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
<u>Persons served:</u>				
1. RTCS (June of each year)	1,503	1,303	1,123	943
A. annual admissions	109	90	90	90
B. annual discharges	250	290	270	270
2. Nursing home (needing relocation)	350	285	70	0
3. Community ICFs/MR	4,630	4,430	4,255	4,105
4. Title XIX Waiver	1,630	2,360	2,765	3,150
5. Day and Habilitation Training Programs (adults)	5,346	5,596	5,846	6,096
6. Day and Habilitation Training Programs (children)	600	400	200	100
7. SILS (annual unduplicated)	1,075	1,150	1,150	1,150
8. Family Subsidy (annual unduplicated)	410	445	445	445
9. Adult Foster Care (nonwaiver)	540	580	620	640
			SEC 1	PAGE 99

ACTIVITY: DEVELOPMENTAL DISABILITIES

1990-91 Biennial Budget

(Continuation)

Program: SOCIAL SERVICES

Agency: HUMAN SERVICES, DEPARTMENT OF

LEGISLATIVE ISSUES:

The department is proposing legislation which will streamline case management procedures and county activities in planning of services for persons with developmental disabilities.

REVENUE:

This activity earns federal administrative reimbursement on expenditures for the Home and Community-Based Services Waiver and other medicaid eligible activities. These reimbursements are dedicated to this activity by law.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity except as detailed in the following change pages and the State Residential Facilities Program.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : SOCIAL SERVICES
BUDGET ACTIVITY : DEVELOPMENTAL DISABILITIES ADMIN

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	902	974	1,064	508	1,572	1,572	1,064	580	1,644	1,644
EXPENSES/CONTRACTUAL SRVCS	270	202	177	84	261	261	177	87	264	264
MISC OPERATING EXPENSES	135	121	121	63	184	184	121	74	195	195
SUPPLIES/MATERIALS/PARTS	29	20	20	6	26	26	20	6	26	26
CAPITAL EQUIPMENT	97	2	2	14	16	16	2	14	16	16
TOTAL EXPENDITURES	1,433	1,319	1,384	675	2,059	2,059	1,384	761	2,145	2,145
CHANGE REQUESTS: FUND										
B D D ADULT GUARDIANSHIP				87		87		87		87
B RTC NEGOTIATION - DEVELOP DISABILITY				258		258		258		258
B RTC NEGOTIATION - DEVELOP DISABILITY				129		129		129		129
B RTC NEGOTIATION - OMBUDSMAN FOR MH				111		111		197		197
B RTC NEGOTIATION - QUALITY COMMUN CARE				90		90		90		90
TOTAL CHANGE REQUESTS				675		675		761		761
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	917	869	934	675	1,609	1,609	934	761	1,695	1,695
STATUTORY APPROPRIATIONS:										
GENERAL	516	450	450	0	450	450	450	0	450	450
TOTAL FINANCING	1,433	1,319	1,384	675	2,059	2,059	1,384	761	2,145	2,145
POSITIONS BY FUND:										
GENERAL	26.0	24.0	24.0	14.0	38.0	38.0	24.0	16.0	40.0	40.0
TOTAL POSITIONS	26.0	24.0	24.0	14.0	38.0	38.0	24.0	16.0	40.0	40.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: DEVELOPMENTAL DISABILITIES ADMINISTRATION
 PROGRAM: SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: DEVELOPMENTAL DISABILITIES ADULT GUARDIANSHIP

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 87	2.0	\$ 87	2.0
Governor's Recommendation				
General Fund	\$ 87	2.0	\$ 87	2.0

Request requires statutory change: X Yes _____ No
 Statutes Affected: MS. 256B

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to adequately meet the mental retardation guardianship function required in M.S., sec. 252A. These resources are needed to:

1. promulgate a legislatively required rule;
2. respond to the increasing number of consents; and
3. train and provide technical assistance to counties on guardianship matters.

DESCRIPTION/BACKGROUND:

The current legislative authorization for 1.0 FTE is insufficient to adequately manage the requests for technical assistance from the current 6,500 state wards, new requests for guardianship, discharges and restorations to capacity, consents required, and to provide needed training. The statute requires a rule which has not been initiated. Annual legislative reports from counties are not being received. Emergency medical and other necessary "consents" are increasing geometrically due to professional practices, technological advances, and the age of those under guardianship. Consents range from estate management to sterilization. The department has delegated to counties all consents possible. However, the department still legally retains major guardianship decisions. Training on policy and procedures is needed, as is ongoing monitoring. Legislation is being proposed to clarify the case manager and guardianship representation at case screening meetings.

The guardianship task force, established by the 1985 Legislature recommended an increase in staffing, policy development, monitoring, county training, and quality assurance.

STATISTICS: F.Y. 1988 F.Y. 1989 F.Y. 1990 F.Y. 1991

Number of State Wards 6,564 6,464 6,364 6,264
 Rule Promulgated -0- -0- -0- 1

RATIONALE:

Increased resources are needed to meet the requirements of M.S., sec. 252A, and the stated objectives. Without these increases liability risks to the department are high, and the quality of services to this very vulnerable population are jeopardized.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 55	\$ 47	\$ 47	\$ 47

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 87	\$ 87

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

ACTIVITY: SILS GRANTS
 Program: SOCIAL SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

This activity provides state grants to county human services agencies to purchase semi-independent living services (SILS) for adults with developmental disabilities who are no longer eligible for or need services provided in community-based intermediate care facilities (ICFs/MR), or who are at risk of placement in those facilities.

EFFECTIVENESS MEASURES:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number of persons who achieved reduced SILS service levels from previous year.	110	115	115	115
Number of nursing home discharges enabled by special legislative appropriation	25	75	10	NA

ACTIVITY DESCRIPTION:

This activity provides funds to enable persons currently residing in, or at risk of placement in, a state-owned or private intermediate care facility (ICF's/MR) maintain themselves in semi-independent living arrangements. The funds from this activity also: (1) facilitate relocation of persons residing in community ICF's/MR that are in the process of closure, and (2) provide alternatives for persons no longer eligible for intermediate care services or Home and Community-Based Waivered Services.

Specific SILS services include assistance in budgeting, meal preparation, shopping, personal appearance, counseling, and related social support services needed to maintain and improve the client's functioning. SILS services are provided in community settings such as the client's own home, apartment, or rooming house.

All counties are eligible to apply for state grants to provide SILS services to eligible clients. Counties provide SILS directly or contract with private vendors. Such services must meet applicable licensing standards. Grants are awarded to counties on a client-specific basis after proposals are reviewed and evaluated by the Division for Persons with Developmental Disabilities. Priority is given first to proposals for persons currently receiving SILS; second, to persons whose use of SILS will result in the discharge of persons from RTC's; and, third, to persons currently residing in community-based ICF's/MR or receiving Home and Community-Based Waivered Services and who no longer require that level of service; and to persons who are living in their own home, family home or foster home. In F.Y. 1988, the Legislature appropriated \$200,000 for persons in the later group. It also appropriated additional funds to provide SILS to persons whose participation in the SILS program would result in the discharge of persons inappropriately placed in nursing homes.

In F.Y. 1988, the state appropriation for SILS paid for 60% of total service costs. Counties used dollars from other sources to pay the balance.

ACCOMPLISHMENTS AND GOALS:

Accomplishments:

Major accomplishments include: (1) an increase in the number of persons participating in SILS as a result of the increased appropriation; (2) relocation to community settings of persons residing in nursing homes, RTCs and community ICFs/MR who were either inappropriately placed or no longer in need of that service; and (3) maintenance of the current level of county participation by preventing further erosion of the reimbursement rate through legislative changes.

Goals:

The primary goal of this grant activity will continue to be using SILS resources to facilitate relocation of persons residing in nursing homes, RTCs or community ICFs/MR who are either inappropriately placed or no longer in need of that service.

ACTIVITY STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number of participating counties	80	84	85	85
Number of licensed vendors	80	83	85	87
Number of clients served	1,075	1,150	1,150	1,150
Average annual grant award/person	\$ 4,683	\$ 5,165	\$ 5,423	\$ 5,695
Average annual cost/person (State \$)	\$ 2,810	\$ 3,099	\$ 3,324	\$ 3,417
Number of clients on waiting list (as of July 1)	363	380	420	460

REVENUE:

This activity does not generate revenue from any source.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity except those detailed on the following change page and the State Residential Facilities Program.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : SOCIAL SERVICES
BUDGET ACTIVITY : SILS

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
LOCAL ASSISTANCE	3,021	3,658	3,658	800	4,458	4,458	3,658	1,433	5,091	5,091
TOTAL EXPENDITURES	3,021	3,658	3,658	800	4,458	4,458	3,658	1,433	5,091	5,091
CHANGE REQUESTS:										
B SILS GRANTS INCREASE				613		613		1,040		1,040
B RTC NEGOTIATIONS - SILS INCREASE				187		187		393		393
TOTAL CHANGE REQUESTS				800		800		1,433		1,433
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	3,021	3,658	3,658	800	4,458	4,458	3,658	1,433	5,091	5,091
TOTAL FINANCING	3,021	3,658	3,658	800	4,458	4,458	3,658	1,433	5,091	5,091
POSITIONS BY FUND:										
TOTAL POSITIONS										

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: SILS GRANT
 PROGRAM: SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: SILS GRANTS INCREASE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund - Grants	\$ 613	-0-	\$1,040	-0-
General Fund - MSA	77	-0-	161	-0-
Governor's Recommendation				
General Fund - Grants	\$ 613	-0-	\$1,040	-0-
General Fund - MSA	77	-0-	161	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to facilitate relocation of 100 additional persons each year from RTC's, community-based intermediate care facilities for persons with mental retardation (ICF's/MR) and waived services to semi-independent living (SILS) arrangements; and, to assure that persons currently receiving SILS continue to receive those services. The increase in Minnesota Supplemental Aid (MSA) is required to cover room and board costs for approximately 50% of those persons being relocated from community-based ICF's/MR to SILS.

DESCRIPTION/BACKGROUND:

SILS grants provide funds to counties to purchase services for adults with mental retardation or related conditions who reside in their own home, apartment or rooming house in order to improve their functioning and reduce the risk of placement in a regional treatment center or private intermediate care facility (ICF's/MR). Typical services include: training, counseling, instruction, and supervision.

In F.Y. 1988, the state funds were used to pay for 60% of the cost of semi-independent living services for each eligible person. County funds were used to cover the balance.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Participating Counties	80	84	85	85
Persons served in the year	1,075	1,150	1,250	1,350
Average Annual Grant per Person	\$ 4,683	\$ 5,165	\$ 5,423	\$ 5,695

RATIONALE:

The increase in the SILS appropriation is requested to maintain the current service level in the program, and to respond to federal policy changes which redefine "active treatment." The new definition requires the department to accelerate current efforts to relocate persons in ICF's/MR to less restrictive, more appropriate community-based arrangements during the F.Y. 1990-1991 biennium.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures (Grants)	\$ 3,021	\$ 3,658	\$ 3,658	\$ 3,658
General Fund Expenditures (MSA)	\$ -0-	\$ -0-	\$ -0-	\$ -0-

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures (Grants)	\$ 1,040	\$ 1,040
General Fund Expenditures	\$ 161	\$ 161

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

ACTIVITY: FAMILY SUBSIDY GRANTS
 Program: SOCIAL SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

This activity provides state grants to county human services agencies to reimburse families with children who have developmental disabilities for services and items purchased to insure that the child can remain in, or return to, the natural or adoptive home.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of children whose out of home placement was prevented	410	445	445	445

ACTIVITY DESCRIPTION:

Grants from this activity are used to reimburse families up to \$250 per month for reimbursable items and services.

Criteria for assessing a family's eligibility for a subsidy include: (1) the potential for placement of the child outside the home; (2) the likelihood that the child would be returned to his/her natural or adoptive home if subsidy funds were available; (3) the severity of the developmental disabilities; (4) the severity of the physical and mental disabilities of the child; (5) the amount of emotional stress of the family; and (6) the availability of support to the caregiver(s).

Applications for family subsidies are submitted by parents to county human services agencies. Each child must be at risk of placement into, or already be in, a state or private residential facility or foster home. The individual service plan developed by the county agency must include specific reimbursable items such as medical costs, medications, education, child care, respite care, special clothing, special diet, special equipment or transportation needed to return the child to or maintain the child in the natural or adoptive home. The county agency must apply and send a periodic review to the Division for Persons with Developmental Disabilities for final determination of eligibility and continued eligibility. The county agency pays the families and is reimbursed by the department. No reimbursements are made for items or services eligible for financial assistance from other public or private funds. For example, families eligible for medical assistance as a result of the recent Tax Equity and Fiscal Responsibility Act (TEFRA) are eligible for family subsidy benefits for only those services not covered by medical assistance (MA).

Grants are made for a one year period and may be renewed each July 1. They may be modified at any time. Grants canceled due to loss of eligibility are given to the next eligible family the month following the cancellation of the grant. The Division for Persons with Developmental Disabilities determines waiting list order and which family will receive the grants based on county applications.

The state appropriation for this activity pays for 100% of the subsidy each eligible family.

ACCOMPLISHMENTS AND GOALS:

Accomplishments:

Major accomplishments of this activity include: (1) reducing the amount of time a family on the waiting list has to wait before receiving a subsidy; (2) increasing the number of families receiving subsidies by almost 50% as a result of an increased state appropriation; and (3) targeting funds more effectively to prevent out-of-home placements of children.

Goals:

Goals include adding 30 to 40 more families to this activity as some families who are currently receiving family subsidies become eligible for resources under TEFRA and have a portion of their costs covered by medical assistance.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of grants	370	400	400	400
No. of families served in a year	410	445	445	445
Average annual grant award per family	\$ 2,868	\$ 2,640	\$ 2,640	\$ 2,640
No. of counties participating	45	45	45	45
No. of families on waiting list (as of January 1st)	113	100	100	100

REVENUE:

This activity does not generate revenue from any source.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity, except those detailed on the State Residential Facilities Program change pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : SOCIAL SERVICES
BUDGET ACTIVITY : FAMILY SUBSIDY

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
LOCAL ASSISTANCE	1,063	1,063	1,063	66	1,129	1,129	1,063	132	1,195	1,195
TOTAL EXPENDITURES	1,063	1,063	1,063	66	1,129	1,129	1,063	132	1,195	1,195
CHANGE REQUESTS:										
B RTC NEGOTIATIONS - FAM SUB INCREASE				66		66		132		132
TOTAL CHANGE REQUESTS				66		66		132		132
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,063	1,063	1,063	66	1,129	1,129	1,063	132	1,195	1,195
TOTAL FINANCING	1,063	1,063	1,063	66	1,129	1,129	1,063	132	1,195	1,195
POSITIONS BY FUND:										
TOTAL POSITIONS										

ACTIVITY: AGING ADMINISTRATION
Program: SOCIAL SERVICES
Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

To develop plans, secure and administer funds that will promote services to help all Minnesotans over age 60 live independent, meaningful and dignified lives, with emphasis on reducing isolation and preventing premature or unnecessary institutionalization.

ACTIVITY DESCRIPTION:

The Minnesota Board on Aging (MBA), as established in M.S. 256.975, has 25 members appointed by the Governor. Statutes require the Department of Human Services to provide staff support through the special consultant on aging who is Executive Secretary to the Board. Federal Older Americans Act funds are secured through the development and administration of a state plan which meets federal requirements. The state appropriations in this activity meet the state administration match requirements of the Federal Older Americans Act.

The MBA awards grants of federal and state funds to 14 area agencies on aging (AAAs) to help meet the cost of administering the state-approved area plan on aging. The area plan for each region in the state, and a group of Indian Reservations, provide for the development or expansion of community-based services and resources such as: Congregate and home delivered meals, transportation, legal services, senior centers, in-home services, information and referral and others.

ACCOMPLISHMENTS AND GOALS:

1. The federally approved State Plan on Aging (1987-90) was administered to secure Older Americans Act and other federal funds of approximately \$15,000,000 per year for aging services, planning, advocacy, training, and administration.
2. Gift and special federal grant funds of \$120,000 were used to carry out (in cooperation with the private sector) a project to study and promote the development of congregate housing in smaller communities in Minnesota. The guide book developed has had statewide and national distribution.
3. Special federal grant funds of \$30,000 were obtained for Aitkin County Community recognition and statewide promotion of community-based coordination of aging program planning and service delivery.
4. The Minnesota Board on Aging long range plans, state policy recommendations and legislative programs were developed, adopted, publicized, and implemented
5. Consultation and technical assistance relating to aging was provided to other programs and state agencies in the areas of: health, mental health, chemical dependency, social services, blind, arts, volunteer services, training, transportation, economic development, congregate housing, Alzheimer's, and veterans affairs.
6. Public awareness of the needs and potentialities of older Minnesotans was increased by: (1) supporting the Wilder Senior Needs and Resources Study; (2) conducting legislative forums in 7 regions around the state; (3) publishing a bi-monthly newsletter; (4) recognizing outstanding senior citizens; (5) developing an "aging-impact-on-the-economy", chapter for the 1989 Governor's Economic Report; (6) conducting Annual Institute on

Aging; (7) promoting senior citizen month; (8) participating in over 150 aging related conference and workshop programs identifying bills and other policy matters of concern to the elderly.

7. "Living Will" issues and proposed legislation were seriously considered by the 1987-88 Minnesota Legislature as a result of the MBA leadership in the development of a coalition whose membership includes senior citizen organizations, health care providers, religious groups, and other interested public and private agencies and organizations.
8. "Seniors Celebrate Minnesota, 1990," project was developed in cooperation with the Department of Trade and Economic Development.
9. An Alzheimer Disease/Dementia Program initiative is being developed to follow through on the priority recommendations of the department's task force.

REVENUE:

This activity earns federal administrative reimbursement at the rate of 75% of expenditures. These reimbursements are deposited into the state general fund.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity except for the change detailed on the following page.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : SOCIAL SERVICES
BUDGET ACTIVITY : AGING ADMINISTRATION

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	724	758	788	36	824	788	788	36	824	788
EXPENSES/CONTRACTUAL SRVCS	55	68	68	8	76	68	68	10	78	68
MISC OPERATING EXPENSES	84	89	89	3	92	89	89	3	92	89
SUPPLIES/MATERIALS/PARTS	11	16	16	1	17	16	16	1	17	16
CAPITAL EQUIPMENT	0	28	28	2	30	28	28	0	28	28
REDISTRIBUTIONS	236	133	133	0	133	133	133	0	133	133
STATE OPERATIONS	1,110	1,092	1,122	50	1,172	1,122	1,122	50	1,172	1,122
LOCAL ASSISTANCE	227	222	222	0	222	222	222	0	222	222
TOTAL EXPENDITURES	1,337	1,314	1,344	50	1,394	1,344	1,344	50	1,394	1,344
CHANGE REQUESTS:										
FUND										
B ALZHEIMER/DEMENTIA PROGRAM INITIATIVE				50		0		50		0
TOTAL CHANGE REQUESTS				50		0		50		0
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	598	620	650	50	700	650	650	50	700	650
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	147	137	137	0	137	137	137	0	137	137
FEDERAL	584	539	539	0	539	539	539	0	539	539
GIFTS AND DEPOSITS	8	18	18	0	18	18	18	0	18	18
TOTAL FINANCING	1,337	1,314	1,344	50	1,394	1,344	1,344	50	1,394	1,344
POSITIONS BY FUND:										
GENERAL	13.0	13.0	13.0	1.0	14.0	13.0	13.0	1.0	14.0	13.0
FEDERAL	6.5	6.5	6.5	0.0	6.5	6.5	6.5	0.0	6.5	6.5

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : SOCIAL SERVICES
BUDGET ACTIVITY : AGING ADMINISTRATION

POSITIONS BY FUND:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
TOTAL POSITIONS	19.5	19.5	19.5	1.0	20.5	19.5	19.5	1.0	20.5	19.5

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: AGING ADMINISTRATION
 PROGRAM: SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: ALZHEIMERS/DEMENTIA PROGRAM INITIATIVE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 50	1.0	\$ 50	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: X Yes _____ No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and position to follow-up on the Task Force recommendations to assist those with dementia and Alzheimer's disease by:

1. Providing linkages among existing organizations and agencies with Alzheimer/Dementia related functions.
2. Identifying existing resources and service gaps and developing coordinated, community-based array of Alzheimer/Dementia programs.
3. Developing a "Governor's Conference" under joint public/private sponsorship that will address current status and future direction for public policy.

DESCRIPTION/BACKGROUND:

In Minnesota there are approximately 32,000 persons with severe dementia with about 21,000 due to Alzheimer's disease. In the absence of prevention or cure, the number of persons with severe dementia will increase 60% by the year 2000, to approximately 51,000. Dementia is progressive and irreversible in 98% of all cases. Severe dementia disables approximately 6.5% of those over the age of 65, and a small but significant number under the age of 65. It is estimated that the direct and indirect costs related to dementia exceed a half of a billion dollars annually. Individuals with dementia are primarily cared for by members of their family or other informal caregivers.

The Governor, in July, 1986 announced the formation of a task force on Alzheimer's disease, and a report was issued by this group in the spring of 1987. The department reconstituted the task force to further develop recommendations forwarded to the Governor in June of 1988. This request is consistent with these reports. The Minnesota Board on Aging would be respons-

ible for developing a task force to guide objective implementation. As a result of recent changes in the Older American's Act, funding from the Older Americans Act may be a resource for program and service start-up and development at the community level.

RATIONALE:

This request is necessary to:

1. coordinate and focus direction and interest in the management of programs which serve people with dementia and Alzheimer's disease;
2. advance information to the general public and educate and train professionals about this disability;
3. plan and direct the development of a Governor's conference on Alzheimer's disease; and
4. begin implementation of the department's task force report issued in June, 1988.

BASE: None.

LONG RANGE IMPLICATIONS: None.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

ACTIVITY: AGING OMBUDSMAN **1990-91 Biennial Budget**
Program: SOCIAL SERVICE
Agency: HUMAN SERVICES, DEPARTMENT OF

ACTIVITY OBJECTIVE:

To (1) provide nursing home residents and acute care patients an ombudsman service to resolve disputes with providers, insurance companies and government agencies, and (2) monitor, comment on and inform the public of laws, policies, or procedures that may adversely affect the health, safety, welfare or rights of any clients.

EFFECTIVENESS MEASURES: F.Y. 1988 F.Y. 1989 F.Y. 1990 F.Y. 1991

Outcomes of nursing home complaints cases:				
Resolved or explained	75%	80%	80%	80%
Not resolved	6%	5%	5%	5%
Discontinued/withdrawn	19%	15%	15%	15%

ACTIVITY DESCRIPTION:

The Office of Ombudsman for Older Minnesotans was established in 1987 statutes to assist Medicare beneficiaries of acute care services and long term care residents (the former Minnesota Board on Aging Long Term Care Ombudsman Program, mandated by the federal government and advocating for nursing home residents since 1980, was incorporated into the office M.S. 256.974). The office is an advocacy program (1) promoting self help/advocacy through rights and benefits education (including managing the state's resident and family advisory council education program) and (2) resolving resident/patient complaints through negotiation, mediation, referral, or other required advocacy strategy. The office also functions as a monitoring mechanism through which the state is able to obtain valuable information from consumers about health care providers and insurance industry behavior which adversely effects consumers. The office provides documentation which assists in the enforcement of state policy and provides consumer input in the formulation of health care public policy. Federal Older Americans Act funds provide for state level long term care ombudsman staff and 7 regional grant projects with offices in East Grand Forks, Fergus Falls, Virginia, Duluth, St. Cloud, Minneapolis, Marshal, Fairmont, Albert Lea, and Winona. Authority for this activity is found in M.S. 256.974 and the Older Americans Act section 307(a)(12). The 1987 State Legislation provides for one staff person for acute care ombudsman services and requires a recommendation for expansion of the ombudsman program to serve clients receiving in-home services or acute care.

ACCOMPLISHMENTS AND GOALS:

1. Assisted over 4,000 individuals (individually and through group or class action) in recovering more than \$2 million in nursing home rate overcharges.
2. Assisted over 300 nursing home residents in appealing their case mix rate and classification assessments (an estimated 90% of these were resolved to the satisfaction of the residents).
3. Proposed and advocated for system and policy changes at the federal level to improve the quality of life and quality of care for nursing home residents.

4. Provided full time ombudsman services to residents of the veteran's home for 4 months beginning October 1987.
5. Filled acute care ombudsman position December 1987 and made services available statewide 7-1-88.
6. The Minnesota Board on Aging established in-home services advisory task force and issued a report of the recommendation as required by M.S. 256.9745.
7. A resident, family, staff training an education program was established to promote the development of nursing home resident and family councils.

LEGISLATIVE ISSUES:

Recommendations are being made for changes in M.S. 256.974. To (1) comply with Older Americans Act requirements and conditions of funding; and (2) implement the Minnesota Board on Aging report and recommendations for expansion of Ombudson Program to serve clients receiving in-home services and acute care.

ACTIVITY STATISTICS: F.Y. 1988 F.Y. 1989 F.Y. 1990 F.Y. 1991

Number of potential LTC clients	49,000	49,000	9,000	49,000
Number of individual complaint resolutions	2,000	2,500	2,000	2,000
Number of individuals educated	20,000	20,000	20,000	20,000
Resident family council trainees	22,000	22,000	22,000	22,000

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested to accomplish the goals of this activity except for the change detailed on the following change page.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : SOCIAL SERVICES
BUDGET ACTIVITY : AGING OMBUDSMAN

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	74	85	86	53	139	86	86	53	139	86
EXPENSES/CONTRACTUAL SRVCS	21	20	20	7	27	20	20	7	27	20
MISC OPERATING EXPENSES	15	22	22	9	31	22	22	11	33	22
SUPPLIES/MATERIALS/PARTS	5	3	3	5	8	3	3	5	8	3
STATE OPERATIONS	115	130	131	74	205	131	131	76	207	131
LOCAL ASSISTANCE	8	5	5	144	149	5	5	320	325	5
TOTAL EXPENDITURES	123	135	136	218	354	136	136	396	532	136
CHANGE REQUESTS: FUND										
B ACUTE CARE/IN-HOME AGING OMBUDSMAN EXPAN GEN				218		0		396		0
TOTAL CHANGE REQUESTS				218		0		396		0
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	21	40	41	218	259	41	41	396	437	41
STATUTORY APPROPRIATIONS:										
FEDERAL	102	95	95	0	95	95	95	0	95	95
TOTAL FINANCING	123	135	136	218	354	136	136	396	532	136
POSITIONS BY FUND:										
GENERAL	1.0	1.0	1.0	2.0	3.0	1.0	1.0	2.0	3.0	1.0
FEDERAL	2.5	1.5	1.5	0.0	1.5	1.5	1.5	0.0	1.5	1.5
TOTAL POSITIONS	3.5	2.5	2.5	2.0	4.5	2.5	2.5	2.0	4.5	2.5

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: AGING OMBUDSMAN
 PROGRAM: SOCIAL SERVICE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: ACUTE CARE AND IN-HOME AGING OMBUDSMAN EXPANSION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 218	2.0	\$ 396	2.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: X Yes _____ No
 Statutes Affected: 256.974

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds, positions and legislative changes to expand the capacity of the Minnesota Board on Aging Ombudsman office and the 7 local Ombudsman offices to provide service to: (1) people in acute care situations including hospital discharge and medicare rights and (2) people receiving in-home services.

DESCRIPTION/BACKGROUND:

M.S. sec. 256.974 establishes a position in the Office of Ombudsman to assist medicare recipients and requires the Minnesota Board on Aging to recommend methods for expanding and funding local ombudsman services for people in acute care facilities.

The availability of acute care ombudsman services within the Office of Ombudsman for Older Minnesotans was announced publicly in July, 1988. Over 200 calls were received during the first 2 weeks after the public announcement. About half of the calls were related to current situations such as potential premature discharge, medicare authorization and payment issues. Most of the rest were people asking for clarification of rights or benefits and information on appeal mechanisms. Expansion of acute care ombudsman services to each of the subdivision offices is clearly indicated.

The in-home services advisory task force was established in June, 1988. A report of the task force proceedings was reviewed and used as the basis for the Minnesota Board on Aging recommendations for expanding local ombudsman offices to serve clients receiving in-home service and acute care.

A staff specialist will be added so the MBA ombudsman office has expertise in in-home services as well as acute care and nursing home care. Ombudsman training will be expanded to include orientation and ongoing training for local ombudsman serving people receiving acute care and in-home services.

Acute care and in-home ombudsman services will be made available statewide by awarding grants to expand the 7 existing local Ombudsman offices.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Acute Care				
Information contacts	200	1,000	3,000	5,000
complaint follow-up	26	75	250	500
In-home				
Information	-0-	-0-	1,000	3,000
Complaint follow-up	-0-	-0-	75	250

RATIONALE:

This request is necessary to expand the Office of Ombudsman and local offices to provide assistance to about 5,000 people per year who have complaints about acute care or in-home services.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 21	\$ 42	\$ 42	\$ 42

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 396	\$ 396

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

ACTIVITY: AREA AGING SERVICES GRANT
 Program: SOCIAL SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

To provide funds to area agencies to advocate for the elderly and to develop and implement plans for comprehensive, coordinated, community-based service delivery systems, including social services and multipurpose senior centers.

To provide funds through area agencies on aging (AAAs) to public and private community agencies providing congregate meals, home delivered meals, nutrition education, and other nutrition services to older persons in greatest social and economic need.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Elderly served:				
access (information, referral outreach, transportation)	22,500	22,500	22,500	22,500
in-home	9,100	9,100	9,100	9,100
legal services	24,700	24,700	24,700	24,700
other services	35,300	35,300	35,300	35,300
Congregate dining:				
Number of sites	414	414	414	414
Number of persons served	94,600	94,600	94,600	94,600
Number of meals served	3,547,000	3,547,000	3,547,000	3,547,000
Home delivered meals program:				
Number of persons served	12,200	12,200	12,200	12,200
Number of meals served	1,143,000	1,143,000	1,143,000	1,143,000

ACTIVITY DESCRIPTION:

The Area Agencies on Aging (AAA) designated for each of the 14 Planning and Service Areas established by the Minnesota Board on Aging are eligible to apply for annual grants to help meet program development, administration, supportive services, and nutrition program costs. An Indian Area Agency on Aging is established to address the unique needs of the elderly on reservations. AAA planning and service grants are based on submission of 4-year plans and annual updates which meet federal and state criteria and guidelines. State appropriations for congregate meals are administered in accordance with federal regulations but accounted for separately from federal funds. A federally approved intrastate allocation formula is used to determine the amount of federal and state funds available to implement each AAA plan.

ACCOMPLISHMENTS AND GOALS:

1. A new in-home service program for frail elderly based on Older Americans Act requirements and \$81,500 of first year federal funding was begun on 7-1-88.
2. A characteristics survey sample of the nutrition and transportation programs funded through area agencies documented that participants served were those in greatest social and economic needs as required by the Older Americans Act.
3. Cooperative efforts with the Department of Transportation resulted in a D.O.T. planned set-aside of about \$200,000 in F.Y. 89 for funding

demonstration/development projects for community-based coordination of transportation and expansion of volunteer driver transportation where appropriate.

4. The congregate meals program has been serving about 3,500,000 meals to about 95,000 people at an average cost of \$3.55 per meal each year since 1984.
5. The home delivered meal program has increased the number of meals served over 9% per year since 1984 with continued increase at about the same rate projected through the 90-91 biennium.

ACTIVITY STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Sources of revenue: area planning and services				
Federal Title III-B	\$ 3,896.8	\$ 3,896.8	\$ 3,896.8	\$ 3,896.8
Local Match	2,954.9	2,954.9	2,954.9	2,954.9
Sources of revenue: nutrition dining program				
Federal Title III, C, 1	4,614.8	4,614.8	4,614.8	4,614.8
Federal Title III, C, 2	1,506.1	1,506.1	1,506.1	1,506.1
U.S.D.A.	3,030.6	3,030.6	3,030.6	3,030.6
State appropriation	1,915.0	1,915.0	1,915.0	1,915.0
Local match (total)	1,103.2	1,103.2	1,103.2	1,103.2
Client contribution:				
Congregate meals	4,457.6	4,457.6	4,457.6	4,457.6
Home delivered meals	1,710.4	1,710.4	1,710.4	1,710.4
Average client contribution per meal:				
Congregate meals	1.15	1.15	1.15	1.15
Home delivered meals	1.33	1.33	1.33	1.33

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested to accomplish the goals of this activity.

**1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)**

**AGENCY : HUMAN SERVICES, DPT
PROGRAM : SOCIAL SERVICES
BUDGET ACTIVITY : AREA AGING SERVICES GRANTS**

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
LOCAL ASSISTANCE	15,762	19,162	19,162	0	19,162	19,162	19,162	0	19,162	19,162
TOTAL EXPENDITURES	15,762	19,162	19,162	0	19,162	19,162	19,162	0	19,162	19,162
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,915	1,915	1,915	0	1,915	1,915	1,915	0	1,915	1,915
STATUTORY APPROPRIATIONS:										
FEDERAL	13,847	17,247	17,247	0	17,247	17,247	17,247	0	17,247	17,247
TOTAL FINANCING	15,762	19,162	19,162	0	19,162	19,162	19,162	0	19,162	19,162
POSITIONS BY FUND:										
TOTAL POSITIONS										

ACTIVITY: FOSTER GRANDPARENT GRANTS
 Program: SOCIAL SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

To provide close personal relationships and personal assistance to children with exceptional or special needs and to provide stipended volunteer opportunities for low income elderly persons.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of foster grandparents employed	190	198	198	198
No. of children served	380	396	396	396
No. of hours of service	190,000	198,000	198,000	198,000

ACTIVITY DESCRIPTION:

Through this program, low income elderly persons receive a stipend to serve as foster grandparents for children with exceptional or special needs. Grants are awarded to community agencies which establish volunteer stations recruit, train, supervise, and pay stipends, and provide other benefits to low income elderly persons. Foster grandparents may put in a maximum of 20 hours per week; they spend an average of 10 hours per week with each child.

The state funds supplement federal funds awarded to the same grantees by the federal ACTION Agency. Recipient agencies must meet federal program and budget standards. Grants are awarded to 3 agencies responsible for the statewide program. Grants are based on an application having a program plan with measurable objectives and a budget that meets state and federal criteria. Since each of the grantee agencies is also the recipient of a Federal Foster Grandparent Grant, they must coordinate the program supported from the 2 funding sources and assure fiscal accountability and reporting for both state and federal funds. Coordination and consistency with federal guidelines is achieved by awarding the funds to the community agencies which receive federal grants.

ACCOMPLISHMENTS AND GOALS:

The program will continue to be operated in cooperation with the federal ACTION Agency and in compliance with federal requirements to assure continued federal participation. The program needs to be expanded to provide more low income seniors the opportunity to increase their income and serve more children.

ACTIVITY STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Federal funds	\$ 959	\$ 959	\$ 959	\$ 959
State funds	\$ 665	\$ 666	\$ 666	\$ 666
State funded foster grandparents	190	198	200	200
Children served with state funds	380	396	396	396
Hourly stipend rate	\$ 2.20	\$ 2.20	\$ 2.20	\$ 2.20

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : SOCIAL SERVICES
BUDGET ACTIVITY : FOSTER GRANDPARENT GRANTS

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
LOCAL ASSISTANCE	665	666	666	0	666	666	666	0	666	666
TOTAL EXPENDITURES	665	666	666	0	666	666	666	0	666	666
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	665	666	666	0	666	666	666	0	666	666
TOTAL FINANCING	665	666	666	0	666	666	666	0	666	666
POSITIONS BY FUND:										
TOTAL POSITIONS										

ACTIVITY: RETIRED SENIOR VOLUNTEER GRANTS **1990-91 Biennial Budget**
Program: SOCIAL SERVICES
Agency: HUMAN SERVICES, DEPARTMENT OF

ACTIVITY OBJECTIVE:

To provide and expand senior volunteer opportunities and services through existing agencies, and encourage the development of new programs.

ACTIVITY DESCRIPTION:

In accordance with M.S. 256.9753 grants are awarded to those community agencies whose Retired Senior Volunteer Program (RSVP) projects meet federal RSVP program standards. Local RSVP projects promote the use of senior volunteers to augment or complement local agencies programs and services. Volunteers are recruited, selected, and assigned to work in agencies that have appropriate use for volunteers. Specialized training of the volunteers, is provided or arranged by the local project and the agency in which the volunteer works. The volunteers receive travel and meal expenses but no compensation for their time. RSVP volunteer services are available to all age groups and agencies. Services include transportation, congregate nutrition, peer counseling, home delivered meals, and a variety of services in agencies such as senior centers, family and children agencies, child care centers, hospitals, libraries, public schools, and community centers.

State funds are allocated to projects on a formula basis. These grants supplement direct federal grants made to the same local agencies and are used to increase the number of senior volunteers, participants, and hours of volunteer services provided. Measurable expansion objectives are required as part of each application. Five new projects have been established in areas not previously served by RSVP as a part of state funded expansion efforts. To assure compliance with federal standards, concurrent application are made to the Minnesota Board on Aging and to ACTION, the federal agency making RSVP grants to local projects. ACTION RSVP grants in Minnesota are expected to continue at about \$700,000 annually.

A "typical" medium-sized county sponsored project has over 600 volunteers placed in 60 stations. Over half of the agencies (33) were serving people other than elderly. In the nonaging parts of this project: 71 volunteers served developmentally disabled and other handicapped; 48 served in schools, day care and other children/youth agencies; 62 served in hospitals and other health services; and 78 volunteered in community services such as libraries, government offices, environmental agencies and other public services. Since all projects are community-responsive, variations among the projects are based on local priorities for volunteer services.

ACCOMPLISHMENTS AND GOALS:

1. Four projects were expanded to cover 5 additional counties.
2. The number of state funded volunteers was expanded from 3,507 in 1986 to 4,149 in 1988.
3. The 21 local RSVP projects have volunteer services available in 65 counties.
4. The goal is to expand RSVP to the 22 counties needed to make the program statewide by 1991.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Number of local projects	21	21	21	21
Number of counties covered	65	65	65	65
Number of volunteers	3,900	4,149	4,149	4,149
Number of volunteer hours	405,000	440,525	440,500	440,500
Average cost per volunteer hour	\$.81	\$.79	\$.79	\$.79

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested to accomplish the goals of this activity.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : SOCIAL SERVICES
BUDGET ACTIVITY : RETIRED SENIOR VOLUNTEER GRANTS

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
LOCAL ASSISTANCE	347	347	347	0	347	347	347	0	347	347
TOTAL EXPENDITURES	347	347	347	0	347	347	347	0	347	347
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	347	347	347	0	347	347	347	0	347	347
TOTAL FINANCING	347	347	347	0	347	347	347	0	347	347
POSITIONS BY FUND:										
TOTAL POSITIONS										

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ACTIVITY: SENIOR COMPANION GRANTS
 Program: SOCIAL SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

To provide supportive personal assistance to adults, especially older persons in their own home or in residential facilities in an effort to maintain independence, and also to provide stipended volunteer opportunities for low income elderly persons.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of senior companions employed	110	114	114	114
No. of persons served	550	570	570	570

ACTIVITY DESCRIPTION:

Grants are awarded to a community agency to establish volunteer stations, recruit, train, supervise, and provide stipends and other benefits to low income elderly persons. This program provides low income seniors stipends to serve as companions to adults in community or residential settings. The state appropriations supplement Federal Senior Companion funds awarded to the local agencies selected by the Federal ACTION Agency. The recipient agencies must meet federal program and budget standards. The grant for this program is made to agencies responsible for the program based on submission of an annual application consisting of a program plan with measurable objectives and a budget which meets state and federal standards. Program coordination and fiscal accountability for 2 separate funds are the responsibility of the grantee. Because coordination and consistency with federal guidelines is achieved by awarding the funds to the community agencies which also receive the Federal Senior Companion Grant, competing applications for this grant are not solicited.

ACCOMPLISHMENTS AND GOALS:

The program will continue to be operated in cooperation with the federal ACTION agency and in compliance with federal requirements to assure federal participation in costs. The program needs to be expanded to provide more low income elderly an opportunity to increase their income and to serve more people.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Federal funding	\$ 317.4	\$ 317.5	\$ 317.5	\$ 317.5
State funding	\$ 366.0	\$ 391.0	\$ 391.0	\$ 391.0
Volunteer positions	110	114	114	114
Clients served	550	570	570	570
Service hours	110,000	115,000	115,000	115,000
Hourly stipend	\$ 2.20	\$ 2.20	\$ 2.20	\$ 2.20

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : SOCIAL SERVICES
BUDGET ACTIVITY : SENIOR COMPANION GRANTS

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991				
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
LOCAL ASSISTANCE	366	391	391	0	391	391	391	0	391	391	
TOTAL EXPENDITURES	366	391	391	0	391	391	391	0	391	391	
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	366	391	391	0	391	391	391	0	391	391	
TOTAL FINANCING	366	391	391	0	391	391	391	0	391	391	
POSITIONS BY FUND:											
TOTAL POSITIONS											

ACTIVITY: HEARING IMPAIRED SERVICES 1990-91 Biennial Budget
 Program: SOCIAL SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

ACTIVITY OBJECTIVE:

This activity is required by statute to ensure access for hearing impaired persons to the human services necessary to deal effectively with issues related to developmental disability, chemical dependency, mental health, aging, and social services. Access to appropriate services and programs promotes self-sufficiency and economic independence for all hearing impaired citizens, including those with multiple handicaps.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Percentage increase in consumers served by RSC program	20%	20%	20%	20%
Percentage increase in policies or procedures adopted by human service agencies or state facilities	10%	10%	10%	10%
Percentage increase in number of training events	25%	25%	25%	25%
Percentage increase in number of telecommunication devices distributed through the Telecommunications Access for Communication Impaired Persons (TACIP) Program	0%	0%	30%	30%

ACTIVITY DESCRIPTION:

Program planning and development, technical assistance, training, and information/referral are provided to individuals, families, agencies, and counties statewide. This activity, through its regional service centers (RSCs), provides a central entry point by which hearing impaired consumers access the human service system. RSCs are located in Crookston, Duluth, Fergus Falls, Mankato, Rochester, St. Cloud, St. Paul, and Willmar.

This activity is responsible to monitor the Hearing Impaired/Mentally Ill Mediated Settlement Agreement which mandates comprehensive quality services to hearing impaired state residential treatment center residents. This activity also monitors grant contracts to community agencies which provide direct services in the areas of mental health, deaf-blindness, and interpreter referral.

This activity provides additional support services such as planning, policy and program development, and program evaluation to enhance human service access for hearing impaired individuals statewide.

ACCOMPLISHMENTS AND GOALS:

This activity has provided technical assistance, training, policy and program development, and information/referral to a wide variety of individuals, agencies, state facilities, and counties throughout Minnesota. Specific efforts have focused on the development and implementation of policies and procedures which have created program access for hearing impaired individuals in state regional treatment centers and nursing homes as well as county health facilities, sheriffs' departments, and emergency centers.

Goals for F.Y. 1990-91 include: increased capacity for accessible service provision by counties and service providers; enhanced services in mental health, developmental disabilities, chemical dependency, deaf-blindness, and aging; improved interpreter referral services statewide; continued development of a statewide information system and computer network; and continued support to the Minnesota Council for the Hearing Impaired and Regional Service Center Advisory Committees.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of consumers served by the RSC program	1,000	1,200	1,440	1,730
No. of accessibility policies or procedures adopted by human service agencies to create program access	100	110	121	132
No. of human service agency/state facility training events	200	250	315	400
No. of telecommunication devices distributed through the TACIP Program	0	1,500	1,950	2,535

RECENT BUDGET HISTORY:

During F.Y. 1988-89, this activity acquired the responsibility for statewide equipment distribution through the Telecommunications Access for Communication Impaired Persons Program.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : SOCIAL SERVICES
BUDGET ACTIVITY : HEARING IMPAIRED SERVICES

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	1,215	1,613	1,671	0	1,671	1,671	1,671	0	1,671	1,671
EXPENSES/CONTRACTUAL SRVCS	111	186	186	0	186	186	186	0	186	186
MISC OPERATING EXPENSES	116	136	136	0	136	136	136	0	136	136
SUPPLIES/MATERIALS/PARTS	53	19	19	0	19	19	19	0	19	19
CAPITAL EQUIPMENT	30	1,361	1,361	0	1,361	1,361	1,361	0	1,361	1,361
REDISTRIBUTIONS	2	0	0	0	0	0	0	0	0	0
STATE OPERATIONS	1,527	3,315	3,373	0	3,373	3,373	3,373	0	3,373	3,373
LOCAL ASSISTANCE	346	351	351	0	351	351	351	0	351	351
TOTAL EXPENDITURES	1,873	3,666	3,724	0	3,724	3,724	3,724	0	3,724	3,724
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,856	1,929	1,987	0	1,987	1,987	1,987	0	1,987	1,987
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	0	1,737	1,737	0	1,737	1,737	1,737	0	1,737	1,737
FEDERAL	14	0	0	0	0	0	0	0	0	0
GIFTS AND DEPOSITS	3	0	0	0	0	0	0	0	0	0
TOTAL FINANCING	1,873	3,666	3,724	0	3,724	3,724	3,724	0	3,724	3,724
POSITIONS BY FUND:										
GENERAL	38.0	38.0	38.0	0.0	38.0	38.0	38.0	0.0	38.0	38.0
SPECIAL REVENUE	9.0	9.0	9.0	0.0	9.0	9.0	9.0	0.0	9.0	9.0
TOTAL POSITIONS	47.0	47.0	47.0	0.0	47.0	47.0	47.0	0.0	47.0	47.0

ACTIVITY: CHEMICAL DEPENDENCY ADMINISTRATION 1990-91 Biennial Budget
 Program: SOCIAL SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

ACTIVITY OBJECTIVE:

To increase the cost-effectiveness and quality of chemical dependency (CD) services in Minnesota, ensure the appropriate placement of publicly-funded clients, and assist local communities in their efforts to prevent alcohol and drug problems.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
	(1st 6 mos)			
Counties and reservations reviewed on site on Rules 24 and 25 and findings cleared.	13	20	49	49
Percent of placements monitored which are in compliance with Rule 25.	98%	98%	99%	99%
Percent of reported Minnesota AIDS cases attributed exclusively to IV drug abuse	3%	3%	3%	3%

ACTIVITY DESCRIPTION:

The department serves as the State Authority on Alcohol and Drug Abuse, whose duties are established in M.S. 254A. The major activities of the Chemical Dependency Division include: (1) improving the quality of CD services through rule development and enforcement, complaint investigations, technical assistance, and training; (2) developing and implementing needed changes in CD funding and other policy issues; (3) collecting and disseminating information on trends in drug and alcohol problems and resources to deal with those problems; (4) operating a normative evaluation system and conducting special research and evaluation studies; (5) managing grants and contracts for American Indian CD programs, statewide prevention efforts, and demonstration projects funded with state and federal funds, including federal alcohol and drug abuse block grant funds; and (6) reviewing the CD plans and programs of local and state agencies.

The total economic impact of chemical abuse in Minnesota exceeds \$1.5 billion a year (i.e., terms of lost production, accidents, crime, etc.). There are an estimated 494,000 "high-risk" chemical users in Minnesota. About 80,000-100,000 people receive some type of CD service annually.

ACCOMPLISHMENTS AND GOALS:

Major accomplishments during the current biennium include implementation of the Consolidated CD Treatment Fund legislation (ch. 254B) including billing and payment systems and training for counties, vendors, and reservations; promulgation of Rule 24 (Consolidated Fund requirements) and revision of Rule 35 (establishing program standards for all residential CD programs); updating and dissemination of Directory of Chemical Dependency Programs in Minnesota; semi-annual drug abuse indicator reports; all required state and federal reports; over 100 new programs added to the Drug and Alcohol Abuse Normative Evaluation System (DAANES) system and production of all regular

reports; annual state and local reports on trends in drug and alcohol-related problems; development of an interagency work group to reduce the spread of AIDS by IV Drug Users; CD training events on AIDS, CD assessment (Rule 25), and other timely topics, and completion of a statewide incidence and prevalence survey.

Goals for the next biennium include monitoring and evaluating the Consolidated CD Treatment Fund; revision of Rule 43 (standards for outpatient programs) and Rules 24 (CD Fund) and 25 (CD Assessment); increased analysis and use of DAANES and other CD information systems (including follow-up data on CD Fund clients); continued efforts to reduce the risk of AIDS among IV Drug Users; provision of needed CD training; and coordinated planning with other agencies, especially related to prevention and AIDS.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Rules drafted/revise	2	1	1	1
Participants in training events	3,249	2,000	2,100	2,100
Number of grants	66	60	60	60
Number of programs on DAANES	215	225	230	230
DAANES reports produced	2,447	3,432	3,507	3,507
Other major reports	4	7	4	6

FEDERAL ISSUES:

The level of funding and requirements for the federal alcohol, drug abuse, and mental health block grant and federal anti-drug abuse funds are not known at this time and could impact what can be accomplished in some of these activities (e.g., prevention and AIDS).

REVENUE:

This activity earns federal administrative reimbursement at the rate of 75% of expenditures. Those reimbursements are deposited into the state general fund.

EXPLANATION OF BUDGET REPORT:

The BASE level of funding is requested for this activity.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : SOCIAL SERVICES
BUDGET ACTIVITY : CHEMICAL DEPENDENCY ADMINISTRATION

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	388	404	420	0	420	420	420	0	420	420
EXPENSES/CONTRACTUAL SRVCS	19	18	18	0	18	18	18	0	18	18
MISC OPERATING EXPENSES	28	28	28	0	28	28	28	0	28	28
SUPPLIES/MATERIALS/PARTS	2	4	4	0	4	4	4	0	4	4
CAPITAL EQUIPMENT	4	0	0	0	0	0	0	0	0	0
REDISTRIBUTIONS	3	3	3	0	3	3	3	0	3	3
STATE OPERATIONS	444	457	473	0	473	473	473	0	473	473
LOCAL ASSISTANCE	18	72	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	462	529	473	0	473	473	473	0	473	473
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	399	411	427	0	427	427	427	0	427	427
STATUTORY APPROPRIATIONS:										
FEDERAL	45	46	46	0	46	46	46	0	46	46
AGENCY	18	72	0	0	0	0	0	0	0	0
TOTAL FINANCING	462	529	473	0	473	473	473	0	473	473
POSITIONS BY FUND:										
GENERAL	8.5	8.5	8.5	0.0	8.5	8.5	8.5	0.0	8.5	8.5
TOTAL POSITIONS	8.5	8.5	8.5	0.0	8.5	8.5	8.5	0.0	8.5	8.5

ACTIVITY: AMERICAN INDIAN CD GRANTS
 Program: SOCIAL SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

To provide grants to reduce the harmful effects of chemical abuse and dependency on the state's American Indian population and to assist in community awareness and education efforts aimed at improved chemical health in American Indian communities.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
First time detox admissions on or near reservations American Indian	616	586	557	530
DWI arrests American Indians certified as Chemical Dependency Practitioners	751	714	679	639
	26	31	37	44

ACTIVITY DESCRIPTION:

This activity provides funds to federally recognized American Indian tribes and other organizations and local units of government for the following types of services for American Indians: (1) prevention; (2) education and training; (3) intervention, assessments and referrals; and (4) a resource and training center for American Indian women.

Estimates are that nearly half of the state's American Indian population is seriously affected by alcoholism. Alcohol and drug use and abuse is considered the single most serious health problem of American Indians because it contributes to the 3 leading causes of death in this population: cirrhosis of the liver, suicide, and homicide. American Indian adolescents and women continue to increase access to treatment, however culturally specific treatment services are often unavailable. When admitted to non-Indian treatment facilities American Indian adolescents have a 20% rate of completion.

Grants are awarded on a competitive basis based on reviews of grant applications and recommendations by department staff, the Grants Review Committee of the American Indian Advisory Council, and the full American Indian Advisory Council. Applicants are required to submit proposals specifying goals and objectives, proposed budget expenditures by line item, and other sources of income. Funding recommendations are based on documentation of need, the ability of the applicant to perform the work, past performance and available funds.

ACCOMPLISHMENTS AND GOALS:

Accomplishments for this biennium include: (1) Increasing the number of American Indians certified as chemical dependency practitioners from 18 to 32 (56% increase) through refinement of the annual American Indian Institute with the University of Minnesota; (2) Development of a report on American Indian women and chemical health focusing on recovery issues; (3) Development and production of the first educational video cassette on American Indians and AIDS: "Her Giveaway: A Woman's Spiritual Journey with AIDS"; (4) Funding for family treatment services at Mash-Ka-Wisen Primary Residential Treatment

Center; (5) With Contract Unit, development of standard contract for department's use with American Indian tribes; (6) Examining chemical health issues involving adolescents, i.e., adolescent work group report to Indian Health Services, inhalant abuse conference.

Goals for the coming biennium include: (1) Continuing support for prevention, education, information and referral services to reduce American Indian alcohol and drug abuse; (2) Continued support for training activities to improve the quality of services to American Indians; (3) Increase awareness with treatment providers of underserved groups within American Indian population such as IV drug users, women, and adolescents.

ACTIVITY STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Information & Referral (clients)	2,017	2,067	2,067	2,067
Prevention/Education (clients)	2,852	2,937	2,937	2,937
Women's Resource and Training Center (individuals trained)	338	338	350	350
Training (Indian Institute)	60	60	60	60
Other Training	99	100	100	100
Family treatment	-0-	200	200	200

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : SOCIAL SERVICES
BUDGET ACTIVITY : AMERICAN INDIAN CD GRANTS

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	

DETAIL BY CATEGORY:										
STATE OPERATIONS:										
EXPENSES/CONTRACTUAL SRVCS	17	0	0	0	0	0	0	0	0	0
STATE OPERATIONS	17	0	0	0	0	0	0	0	0	0
LOCAL ASSISTANCE	1,368	1,065	1,065	0	1,065	1,065	1,065	0	1,065	1,065
TOTAL EXPENDITURES	1,385	1,065	1,065	0	1,065	1,065	1,065	0	1,065	1,065

SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,385	1,065	1,065	0	1,065	1,065	1,065	0	1,065	1,065
TOTAL FINANCING	1,385	1,065	1,065	0	1,065	1,065	1,065	0	1,065	1,065

POSITIONS BY FUND:										
TOTAL POSITIONS										

ACTIVITY: CD SPECIAL GRANTS
 Program: SOCIAL SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

To provide grants to non-profit providers or counties in order to improve and expand community board prevention efforts, promote more effective ways of delivering services for the hard to treat person and evaluate activities and carry out research in order to improve the efficiency and effectiveness of chemical dependency (CD) treatment services.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Reduction of preadmission detox use by domiciliary care clients	30%	30%	40%	40%

ACTIVITY DESCRIPTION:

Funded activities currently include: (1) a statewide prevention resource center to assist Minnesota counties, local communities, and organizations by providing alcohol and drug abuse education, information and training. Available information includes film and print materials on a variety of drugs, parent training, fetal alcohol syndrome, server training and a 24-hour drug information phone number; (2) grants to counties or domiciliary care providers to improve facility living conditions to meet health codes, provide better case management services and explore alternatives to better meet the needs of chronic alcoholics, (3) conduct research and evaluation projects that are needed as identified through input from the department's advisory councils, policy makers, and CD professionals.

State funds are awarded to non-profit organizations selected through a competitive bidding procedure. Grantees are reviewed annually to determine whether the grant should be renewed based on past performance, reasonableness of budget, and ability to perform the work in a cost-effective manner.

ACCOMPLISHMENTS AND GOALS:

The accomplishments of the grant program included the following:

1. The maintenance of a community consultation and technical assistance system capable of providing planning, training, awareness and resource assistance to citizen groups throughout Minnesota regarding chemical abuse prevention strategies; maintained a clearinghouse of print and audiovisual materials related to chemical abuse prevention for distribution to individuals, schools, volunteer groups and social institutions throughout Minnesota; disseminated chemical health messages and information to communities, families, and schools throughout the state; developed educational products to promote the goal of chemical abuse prevention.
2. Supported a domiciliary facility at Breakaway, Inc. to provide housing for 45 chronic alcoholics and offering employment services and aftercare support.
3. Provided funds to the Leech Lake Reservation Business Committee, the House of Hope and the Center of Human Environment in order for them to

meet board and lodging health standards.

4. Conducted an adult incidence and prevalence survey to provide updated information on the nature and extent of drug and alcohol problems in Minnesota, particularly among special population groups. This survey was the first of its kind in Minnesota for the adult population and provided the state with information for targeting treatment and prevention services for different regions and subpopulations of the state. The survey also provided the state with baseline data for assessing the effectiveness of treatment and prevention activities.

The goals of the grant program are to:

1. Maintain a statewide prevention resource center with the capability of providing citizens and organizations with consultation, a clearinghouse with print and audiovisual materials and the capability of targeting resources for special needs and emerging trends and issues related to the prevention of drug and alcohol abuse, e.g., IV drug users and AIDS, Crack Fetal Alcohol Syndrome, Inhalants and Cocaine.
2. Continue to support the development of suitable board and lodging facilities for chronic alcoholics in order to reduce the public costs of treating this population.
3. Fund special research/evaluation studies on such issues as the effectiveness of Rule 25 in identifying the treatment needs of special populations the characteristics of chronic alcoholics which make them unamenable to traditional treatment approaches, or the cost-effectiveness of the Consolidated CD Treatment Fund. Final issue(s) will be selected after consultation with the department's advisory councils, policy makers, and CD professionals.

ACTIVITY STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Audiovisual materials loaned	800	1,100	1,100	1,200
Requests for printed materials	1,460	1,600	1,800	2,000
Number of on-site consultations	150	175	185	200
Chronic clients served	135	150	165	180
Studies in progress	1	1	1	1
Major reports produced	-0-	1	1	1

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : SOCIAL SERVICES
BUDGET ACTIVITY : CD SPECIAL GRANTS

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
LOCAL ASSISTANCE	227	357	292	76	368	368	292	200	492	492
TOTAL EXPENDITURES	227	357	292	76	368	368	292	200	492	492
CHANGE REQUESTS:										
B CHILDREN AND WOMENS SERVICE				76		76		200		200
TOTAL CHANGE REQUESTS				76		76		200		200
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	227	357	292	76	368	368	292	200	492	492
TOTAL FINANCING	227	357	292	76	368	368	292	200	492	492
POSITIONS BY FUND:										
TOTAL POSITIONS										

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: CD SPECIAL GRANTS
 PROGRAM: SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: CHILDREN AND WOMEN'S SERVICES

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
General Fund	\$ 76	-0-	\$ 200	-0-
Governor's Recommendation				
General Fund	\$ 76	-0-	\$ 200	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to develop and provide chemical dependency treatment services to women in programs which also provide services to their children. To enter treatment, these women often must place their children in foster care. The prospect of losing their children prevents many women from seeking or participating in chemical dependency treatment.

DESCRIPTION/BACKGROUND:

Minnesota has an estimated 65,126 single women with dependent children. Approximately 10% of this population has a chemical abuse or dependency problem.

In a recent needs assessment survey for children and women's services, responses indicated that the highest need for services existed in the area of halfway houses and outpatient treatment.

State funds will be awarded to one or more grantees selected through a competitive bidding procedure. Grants will be reviewed annually to determine whether the grant should be renewed based on past performance, budget, and ability to perform the work in a cost effective manner.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number of women and children served	-0-	-0-	50	150
Number of grants	-0-	-0-	1	2

RATIONALE:

This request is necessary in order to explore and evaluate alternatives for providing services to single chemically dependent women who have dependent children. It will provide families in crisis situations with positive

parenting, communication and decision making skills. This project is expected to reduce out-of-home placements and provide children with day care, therapeutic and educational services. Additionally this project should attract more women with children to needed services and potentially prevent future child abuse and neglect.

BASE: None.

LONG RANGE IMPLICATIONS: None.

F.Y. 1990 will be augmented with \$80,000 of Federal Alcohol and Drug Abuse Block Grant funds. By F.Y. 1992 the treatment costs will be diverted to the Consolidated CD Fund and alternative costs of providing child care services will have been explored.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. This request is a component of the Governor's Initiative on Children.

ACTIVITY: CD BLOCK GRANT FEDERAL
 Program: SOCIAL SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

To award Federal Alcohol, Drug Abuse, and Mental Health Block Grant monies to improve access to chemical dependency (CD) services for special populations (e.g., women, various minority groups, and dual disability clients); provide education and prevention services to Minnesota communities, including American Indian communities; and support research, evaluation, and training activities aimed at improving the quality and cost-effectiveness of public CD services.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Increased admissions to specialized programs	5%	10%

ACTIVITY DESCRIPTION:

Eligible grantees are public and nonprofit private agencies and organizations. Funds must be used to supplement and increase the level of state, local, and other nonfederal funds and in no event are to supplant such funds. In certain instances, grantees, such as counties, may act as fiscal agents for disbursement of funds to local programs with the approval of the department. Grants and contracts are solicited in accord with a block grant spending plan developed by the department and reviewed at public hearings before the Legislature. Primary consideration for the use of these funds is given to carrying out the responsibilities of the State Authority on Alcohol and Drug Abuse as specified in M.S. 254A.03. Applicants for grant funds are required to submit a proposal specifying goals, objectives, activities, and the total project budget, including other sources of funds. Proposals are reviewed by the department staff and the Alcohol and Other Drug Abuse Advisory Council or American Indian Advisory Council.

It should be noted that approximately \$1,050,000 of federal block grant funds for ongoing treatment services will continue to be transferred to the Consolidated CD Treatment Fund as required by ch. 394, Laws of 1986.

ACCOMPLISHMENTS AND GOALS:

Major accomplishments included the funding of a drug education program, and prevention programs for the Black, Hispanic, and S.E. Asian communities. Funding included treatment services for S.E. Asians, a prevention media campaign targeted at high risk youth, AIDS training for CD service providers, Consolidated Treatment Fund and assessment training for counties and providers, a women of color conference, a women's assessment model, a study on C.D. women and children's services, and a domiciliary care facility for women. Major accomplishments in evaluation and research include the completion of a statewide incidence and prevalence survey, chemical use related indicator system reports, a statewide program survey, semi-annual drug trend reports and support for the Drug and Alcohol Abuse Normative Evaluation System (DAANES).

Goals for the coming biennium include developing and expanding specialized services for C.D. women with children, Blacks, Hispanics, S.E. Asians, chronic alcoholics, dual disability and high risk youth populations; and monitor-

ing the Consolidated Treatment Fund and compliance with Rules 24 and 25.

ACTIVITY STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
DAANES Reports	2,447	3,432	3,507	3,507
Programs on DAANES	215	225	230	230
Clients on DAANES	48,515	54,117	57,000	57,000
Training events	73	50	55	55
Participants in Training Events	3,090	2,000	2,100	2,100
Drug Education Class Participants	1,744	1,800	1,850	1,900

FEDERALLY PERMITTED USES AND RESTRICTIONS

Federal law states that funds may be used for planning, establishing, maintaining, coordinating, and evaluating projects for more effective prevention, treatment, and rehabilitation programs and activities to deal with alcohol and drug abuse. Federal restrictions are: at least 35% be spent on alcohol abuse activities; at least 35% be spent on drug abuse activities; at least 20% be spent on prevention and early intervention activities; at least 5% be spent on new or expanded services for women; not more than 10% be spent on administration; funds cannot be used to supplant state, local, and other funds which would otherwise be available; only public and non-profit private agencies are eligible grantees; funds cannot be used for inpatient hospital services or for acquisition of land or construction. Chapter 394, Laws of 1986 stipulates that \$1,050,000 of the Alcohol Drug Abuse and Mental Health (ADM) Block Grant funds be dedicated to the Consolidated Chemical Dependency Treatment Fund.

ANTICIPATED RECEIPT DATE:

Funds are available for obligation for a 2 year period commencing at the beginning of the federal fiscal year in which funds are appropriated. Initial grant award notices have been received between November and January, with the balance of funds awarded in quarterly allotments throughout the fiscal year.

GRANT USE:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Financial assistance to political subdivision and non-profit agencies				
Prevention/Intervention	198.7	359.0	319.9	319.9
Treatment Services	1,149.4	1,625.0	1,296.0	1,296.0
Special Population Services	521.3	745.3	484.0	484.0
American Indians	525.8	418.0	458.4	458.4
Training	14.2	17.8	20.1	20.1
Research/Evaluation	252.7	237.4	259.7	259.7
SUBTOTAL	2,662.1	3,402.5	2,838.1	2,838.1
State Agency Operations				
Prevention/Intervention	39.6	46.2	47.9	47.9
Treatment Service	41.3	44.6	98.7	98.7
Special Population Services	40.8	51.6	53.7	53.7
Training	43.9	55.6	57.8	57.8
Research/Evaluation	88.1	105.0	109.2	109.2
Administration	318.2	326.5	339.6	339.6
Subtotal	571.9	629.5	706.9	706.9
TOTAL THIS GRANT	\$ 3,234	\$ 4,032	\$ 3,545	\$ 3,545

ACTIVITY: CD BLOCK GRANT FEDERAL
(Continuation)

1990-91 Biennial Budget

Program: SOCIAL SERVICES

Agency: HUMAN SERVICES, DEPARTMENT OF

<u>GRANT USE:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Required State Match	None			
Required Local Match	None			
Agency Complement Funded by this grant	14	14	14	14

FEDERAL ISSUES:

This block grant was reduced by 7.9% in F.Y. 1988 due to federal reductions. It is unclear to the extent of future budget reductions under the Gramm-Rudman-Hollins Act or budget reconciliation measures. Federal legislation continues to discuss separating the Alcohol and Drug Abuse Block Grant from the Mental Health Block Grant, requiring 6% of the funds to be spent on women's services rather than the existing 5%, and the possibility of having a separate block grant for states to address their needs in regard to AIDS and the IV drug user population.

EXPLANATION OF BUDGET REQUEST:

No state funds requested.

**1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)**

AGENCY : HUMAN SERVICES, DPT
PROGRAM : SOCIAL SERVICES
BUDGET ACTIVITY : CD BLOCK GRANT FEDERAL

EXPENDITURES:	F.Y. 1990					F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	567	660	585	0	585	585	585	0	585	585
EXPENSES/CONTRACTUAL SRVCS	203	149	91	0	91	91	91	0	91	91
MISC OPERATING EXPENSES	55	32	32	0	32	32	32	0	32	32
SUPPLIES/MATERIALS/PARTS	21	4	4	0	4	4	4	0	4	4
CAPITAL EQUIPMENT	21	0	0	0	0	0	0	0	0	0
REDISTRIBUTIONS	0	127	127	0	127	127	127	0	127	127
STATE OPERATIONS	867	972	839	0	839	839	839	0	839	839
LOCAL ASSISTANCE	2,367	3,060	2,706	0	2,706	2,706	2,706	0	2,706	2,706
TOTAL EXPENDITURES	3,234	4,032	3,545	0	3,545	3,545	3,545	0	3,545	3,545
SOURCES OF FINANCING:										
STATUTORY APPROPRIATIONS:										
FEDERAL	3,234	4,032	3,545	0	3,545	3,545	3,545	0	3,545	3,545
TOTAL FINANCING	3,234	4,032	3,545	0	3,545	3,545	3,545	0	3,545	3,545
POSITIONS BY FUND:										
FEDERAL	15.0	15.0	15.0	0.0	15.0	15.0	15.0	0.0	15.0	15.0
TOTAL POSITIONS	15.0	15.0	15.0	0.0	15.0	15.0	15.0	0.0	15.0	15.0

ACTIVITY: CONSOLIDATED CHEMICAL DEPENDENCY TREATMENT 1990-91 Biennial Budget FUND

Program: SOCIAL SERVICES

Agency: HUMAN SERVICES, DEPARTMENT OF

ACTIVITY OBJECTIVE:

To provide chemical dependency (CD) treatment services in an effective, cost-efficient manner to citizens who need public funding to receive these services. To ensure that clients receive the most appropriate level of care in the most appropriate setting based on individual needs and according to uniform client placement and eligibility standards. To provide comprehensive uniform information regarding assessments, services and costs.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Per unit costs of CD fund placements as percentage of average per unit costs from the "Directory of Chemical Dependency Programs"	75%	80%	80%	80%

ACTIVITY DESCRIPTION:

The Consolidated Chemical Dependency Treatment Fund (M.S. 254B) went into effect 1-1-88. This activity combines chemical dependency treatment funds which were previously expended through General Assistance, General Assistance Medical Care, Medical Assistance, regional treatment centers and grant programs. Funds are allocated to counties and American Indian reservations according to a formula which includes population, income and welfare caseload factors.

Clients include persons eligible for public assistance, and persons whose income is less than 60% of the state median income. Persons whose income is between 60% and 115% of the state median income are generally eligible with a client fee based on income.

Services provided include primary inpatient treatment, primary outpatient treatment, extended care and halfway houses. Placements must be made according to criteria established in department Rule 25. Any treatment program licensed under Rules 35 and 43 is an eligible vendor. Counties and reservations contract with vendors and are required to have available the full range of covered services. Vendors are required to report information on client utilization, discharge status and follow-up outcomes. The federal share of Medical Assistance is collected when the necessary conditions are met. Collections are also made from insurance carriers and clients. All receipts are deposited in the CD Fund, which is a dedicated account, and used to pay for additional treatment services.

ACCOMPLISHMENTS AND GOALS:

The implementation of the Consolidated CD Fund has been a complex process involving state and local staff and providers. Considering the major changes involved, the transition to the CD Fund was quite smooth. The client placement and invoicing system at the department works very well, meets all system requirements and provides up-to-date placement and financial information.

The success of the CD Fund must be measured by the objectives which motivated its establishment. The CD Fund is meeting its objectives. Client placement decisions are based on individual client needs. The CD Fund clearly allows the funding to follow the client. The implementation of this approach has resulted in the increased use of outpatient and halfway house programs which previously had a high county cost share, and decreased use of high cost programs which previously had low county cost shares. Counties and reservations have shown an ability to contain the rates and per client cost of treatment through the host county contracting process and their ability to control access to vendors by clients. The C.D. Fund appears to be more efficient than the previous funding systems, treating more people at a lower per-client cost. The formula allocation of funds appears to be more closely related to needs than were historical expenditure levels. Monitoring efforts do not indicate any systematic patterns of inappropriate use. Counties and reservations appear to be using specialized programs when appropriate and tailoring services to clients.

The department and counties were able to make adjustments to accommodate prepaid plans and long term care reimbursement practices. As experience has been gained there are changes which need to be made and rule revisions are in process.

Goals are to continue monitoring, provide training as needed, and use the developing data base for additional analysis.

ACTIVITY STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Client placements	8,850*	17,700	16,980	16,290
Avg. cost per placement	\$ 2,260	\$ 2,356	\$ 2,456	\$ 2,560
Invoices processed	12,860*	25,500	24,460	23,470

* 6 months of activity

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity except for those detailed on the following change page.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : SOCIAL SERVICES
BUDGET ACTIVITY : CD CONSOLIDATED TREATMENT

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	13	106	267	0	267	267	267	0	267	267
EXPENSES/CONTRACTUAL SRVCS	0	71	71	0	71	71	71	0	71	71
MISC OPERATING EXPENSES	0	3	3	0	3	3	3	0	3	3
SUPPLIES/MATERIALS/PARTS	0	1	1	0	1	1	1	0	1	1
STATE OPERATIONS	13	181	342	0	342	342	342	0	342	342
AIDS TO INDIVIDUALS	16,721	33,884	35,381	288	35,669	35,669	36,998	300	37,298	37,298
LOCAL ASSISTANCE	466	860	860	0	860	860	860	0	860	860
TOTAL EXPENDITURES	17,200	34,925	36,583	288	36,871	36,871	38,200	300	38,500	38,500
CHANGE REQUESTS: FUND										
B TRANSFER FROM MA FOR ICF-CD PROG				288		288		300		300
TOTAL CHANGE REQUESTS				288		288		300		300
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	0	0	28,260	288	28,548	28,548	29,877	300	30,177	30,177
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	17,200	34,925	8,323	0	8,323	8,323	8,323	0	8,323	8,323
TOTAL FINANCING	17,200	34,925	36,583	288	36,871	36,871	38,200	300	38,500	38,500
POSITIONS BY FUND:										
SPECIAL REVENUE	3.0	4.0	4.0	0.0	4.0	4.0	4.0	0.0	4.0	4.0
TOTAL POSITIONS	3.0	4.0	4.0	0.0	4.0	4.0	4.0	0.0	4.0	4.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

ACTIVITY: CONSOLIDATED CHEMICAL DEPENDENCY TREATMENT FUND
 PROGRAM: SOCIALS SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: TRANSFER FROM MA FOR ICF-CD PROGRAMS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 288	-0-	\$ 300	-0-
General Fund (MA Grants)	(\$ 288)	-0-	(\$ 300)	-0-
Governor's Recommendation				
General Fund	\$ 288	-0-	\$ 300	-0-
General Fund (MA Grants)	(\$ 288)	-0-	(\$ 300)	-0-

Request requires statutory change: X Yes _____ No
 Statutes Affected: MS 254B.10

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and legislative changes to transfer from Medical Assistance (MA) to the Chemical Dependency (CD) Fund monies which have been expended by MA for CD treatment in intermediate care facilities. These services will be paid for through the CD fund.

DESCRIPTION/BACKGROUND:

When the CD Fund was established, a provision was included which exempted MA funding for intermediate care facilities which were providing CD services before 1/1/86. This was done because Granville, Inc., which operates the exempted programs, was in a law suit with the Health Care Finance Administration regarding MA reimbursement for CD treatment. As the state had been a party to the suit on the side of Granville, and inclusion of Granville in the CD Fund may have eliminated their legal standing to continue the lawsuit, the exemption was made. The pertinent issues have since been resolved and the need for this exemption no longer exists. The department has proposed statutory amendments to remove the exemption. At that time the CD Fund will pay for the services previously reimbursed through MA.

RATIONALE:

Approval of this change request will provide the funds needed to serve the clients now being paid through MA.

BASE: None.

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 300	\$ 300
General Fund Expenditures (MA Grants)	(\$ 300)	(\$ 300)

PROGRAM: MENTAL HEALTH
AGENCY: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

PROGRAM PURPOSE: This program's purpose is to fulfill the requirements of the Minnesota Comprehensive Mental Health Act, M.S. sec. 245.461 to 245.486 (as amended in 1988), to create and ensure a unified, accountable, comprehensive mental health service system. It has responsibility to ensure that services are provided which promote higher functioning, stabilize and support individuals with mental illness, and prevent the development or deepening of mental illness. These services are to be provided in an environment free from abuse and conducive to independence and self-control.

OPERATIONS: The Mental Health Program includes 3 budget activities which are described in detail on the following pages: Mental Health Administration, State Mental Health Grants, and Federal Mental Health Grants. The clients are all persons with mental illness with particular concern for children who are severely emotionally disturbed and adults with serious and persistent mental illness who are unable to provide for their own needs or independently engage in ordinary community activities.

This program is responsible for policy development, coordination, and implementation of service delivery among state, county, and other provider agencies in compliance with rule and law, provision of technical assistance to counties and service providers, administration of state and federal grants, supervision of agency and provider standards compliance, promotion of public education, prevention of mental illness, and evaluation of service effectiveness.

This program also develops appropriate, compatible, and consistent data bases to provide state, counties, and providers with information useful for policy development and decision making.

This program implements federal mental health requirements including the requirement for a state mental health advisory council and the development of a 3 year state mental health plan.

MAJOR POLICY ISSUES: The Comprehensive Mental Health Act, while designed for persons of all ages, now focuses primarily on adults and requires a staged implementation of a required range of services in every county throughout the state. Full implementation is required by 1-1-90. Although major program development has occurred during F.Y. 1988 and F.Y. 1989, a number of gaps need to be addressed during the coming biennium.

State-funded staffing needs to be strengthened to ensure appropriate program development and supervision of counties and providers. This program was successful in obtaining a number of one time federal grants for new state staff to plan and implement the Comprehensive Mental Health Act during F.Y. 1989. The new federally funded staff are working very effectively with the 7 new state funded staff approved by the 1987 Legislature. However, federal funds for 9 positions will end by, or during, F.Y. 1990. This issue is addressed on the change page titled "Implement Mental Health Act." Although major progress has been made in development of community support programs in all 87 counties, many community support programs do not have adequate funding to provide the full range of services required by statute and needed by persons with serious and persistent mental illness. Further development is especially needed for housing support services. Demonstration projects for housing support services are being started with one time state

funds available in F.Y. 1989. Funding is needed to continue and expand these projects. Community support needs are addressed on the change page titled "Enhance Community Support Services for Adults with Serious and Persistent Mental Illness."

The 1988 Legislature passed the children's mental health mission statement requiring the Department of Human Services to develop a comprehensive and coordinated system of mental health care for children. Statutory amendments and new funding are needed to implement this requirement. This issue is addressed on 3 change pages titled "Children's Mental Health Initiative," "Therapeutic Foster Care Pilot Projects for Children with Severe Emotional Disturbance" and "Medical Assistance Coverage for Children's MH Services.."

Implementation of new federal rules relating to Institutions for Mental Disease (IMD) will eliminate Medical Assistance (MA) eligibility for adults in residential treatment facilities which exceed 16 beds per facility. The IMD issue is addressed on the change page titled "Federal IMD Compliance" under General Assistance Medical Care (GAMC) grants.

PROGRAM PRIORITIES: Under the MH Administration Budget Activity the priorities are:

1. establishment of a statewide array of defined, accessible and available mental health services; and
2. establishment of a staff and data capacity to address the policy issues identified above.

Under the State Mental Health Grants Budget Activity, the priority is provision of grants to counties at an adequate level and in a manner which will ensure a unified, accountable, comprehensive mental health service system. This will include statewide implementation of community support programs and adequate case management services for persons with serious and persistent mental illness.

Under the Federal Mental Health Grants Budget Activity, the priority is demonstration programs for underserved populations.

These activities, together with related activities under the department's other programs, all work together to implement the mental health initiative and the mental health portion of the children's initiative.

EXPLANATION OF BUDGET REQUEST: The BASE level of funding is requested for this program except for the changes detailed on the following pages.

GOVERNOR'S RECOMMENDATION:

The Governor recommends a BASE of \$38,582,000 and a biennial increase of \$10,808,000 for the F.Y. 1990-91 budget. Details for increased funding can be found on the following budget activity CHANGE request pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : MENTAL HEALTH

ACTIVITY EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
MENTAL HEALTH ADMINISTRATION	648	1,084	631	443	1,074	1,074	631	1,468	2,099	2,099
B CHILDRENS MENTAL HEALTH INITIATIVE				168		168		1,157		1,157
B IMPLEMENT MENTAL HEALTH ACT				275		275		311		311
STATE MENTAL HEALTH GRANTS	14,956	19,307	18,660	1,884	20,544	21,085	18,660	5,373	24,033	25,132
B TRANSFER OUTPT COMM TO RULE 14				<120>		<120>		<120>		<120>
B ENHANCE COMM SUPPORT - RULE 14				1,043		1,584		2,743		3,842
B NURSING HOME REFORM ACT MH ALTERNATIVES				721		721		2,290		2,290
B THERAPEUTIC FOSTER CARE PILOT				240		240		460		460
FEDERAL MENTAL HEALTH GRANTS	2,187	2,674	2,015	0	2,015	2,015	1,799	0	1,799	1,799
TOTAL EXPENDITURES	17,791	23,065	21,306	2,327	23,633	24,174	21,090	6,841	27,931	29,030
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	15,604	19,998	19,291	2,327	21,618	22,159	19,291	6,841	26,132	27,231
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	0	393	0	0	0	0	0	0	0	0
FEDERAL	2,187	2,674	2,015	0	2,015	2,015	1,799	0	1,799	1,799
TOTAL FINANCING	17,791	23,065	21,306	2,327	23,633	24,174	21,090	6,841	27,931	29,030
POSITIONS BY FUND:										
GENERAL	12.0	12.0	12.0	9.0	21.0	21.0	12.0	9.0	21.0	21.0
FEDERAL	14.0	15.5	12.5	0.0	12.5	12.5	8.5	0.0	8.5	8.5
TOTAL POSITIONS	26.0	27.5	24.5	9.0	33.5	33.5	20.5	9.0	29.5	29.5

ACTIVITY: MENTAL HEALTH ADMINISTRATION
Program: MENTAL HEALTH
Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

To establish and monitor a statewide array of defined, accessible, and available mental health services.

ACTIVITY DESCRIPTION:

This activity is responsible for statewide implementation of the 1987 Comprehensive Mental Health Act, assuring high quality, cost-effective, and efficient services to all persons with mental illness in Minnesota, with particular concern for the approximately 30,000 adults with serious and persistent mental illness and 58,000 children who are severely emotionally disturbed. To accomplish its responsibilities, this activity works with counties, regional treatment centers (RTC), other state agencies, advocacy organizations, and a variety of community-based programs to help them provide a quality continuum of services for persons with mental illness problems. This activity reviews and approves county mental health plans and provides technical assistance to counties as required by the Comprehensive Mental Health Act. It also has the responsibility for implementation of a mental illness information system as required by M.S. sec. 245.721. Grants relating to community residential treatment, community support services and federal block grant monies are administered by this activity, as well as special project grants. The activity also has responsibility for measuring effectiveness of the grant programs, gathering and analyzing client outcome data, and working with counties and facilities to ensure fiscal accountability of grant monies. This activity also seeks additional federal funding for mental health services.

ACCOMPLISHMENTS AND GOALS:

This activity submitted 3 reports to the 1988 Legislature: (1) an annual report on the progress of implementation of the Comprehensive Mental Health Act; (2) a study and recommendations on housing needs of persons with mental illness; and (3) a study and recommendations on the commitment law, particularly relating to outpatient commitment. Residential programs for adults with mental illness (Rule 36 programs) have expanded to 34 counties. Community support programs for adults with serious and persistent mental illness (Rule 14 programs) have been enlarged and expanded from 45 to 86 counties. Special programs for Indians, children and adolescents, refugees, economically depressed rural areas, and hearing impaired persons with mental illness have been initiated through federal funding. Three new grants from the National Institute of Mental Health have been approved for funding: one for a rural mental health program, 1 for a 3 year state plan and another for mental health services for homeless persons.

This activity has worked with the DHS Systems Management Division in developing a new information system for mental health services. The system is designed to use existing information systems where feasible to report on clients served and amount of mental health services received. This information system is expected to begin January, 1989, with full implementation by January, 1990, as required by statute.

ACCOMPLISHMENTS AND GOALS:

Goals for this activity are to develop and maintain: (1) statewide community support programs; (2) statewide case management services; (3) statewide service standards; (4) statewide access to an array of basic services; and (5) a statewide mental illness information system.

ACTIVITY STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of county mental health plans approved	76	11	87	-0-
No. of technical assistance workshops	15	30	30	30
No. of site visits to counties and providers	200	400	400	400
No. of grants awarded	209	215	215	215
Federal grant applications submitted	5	5	5	5

LEGISLATIVE ISSUES:

The department is proposing further refinement of the Comprehensive Mental Health Act.

FEDERAL ISSUES:

Termination of some one-time federal grants and the Gramm-Rudman reductions to the mental health portion of the federal block grant will cause the loss of 9 federally funded positions. Unless some of these positions are funded by the state, the Division's administrative functions will be significantly reduced.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested to accomplish the goals of this activity, except as detailed on the following change pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : MENTAL HEALTH
BUDGET ACTIVITY : MENTAL HEALTH ADMINISTRATION

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	482	593	573	238	811	811	573	308	881	881
EXPENSES/CONTRACTUAL SRVCS	64	383	8	156	164	164	8	1,126	1,134	1,134
MISC OPERATING EXPENSES	40	57	49	34	83	83	49	34	83	83
SUPPLIES/MATERIALS/PARTS	19	11	1	0	1	1	1	0	1	1
CAPITAL EQUIPMENT	43	40	0	15	15	15	0	0	0	0
TOTAL EXPENDITURES	648	1,084	631	443	1,074	1,074	631	1,468	2,099	2,099
CHANGE REQUESTS:										
B CHILDRENS MENTAL HEALTH INITIATIVE				168		168		1,157		1,157
B IMPLEMENT MENTAL HEALTH ACT				275		275		311		311
TOTAL CHANGE REQUESTS				443		443		1,468		1,468
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	648	691	631	443	1,074	1,074	631	1,468	2,099	2,099
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	0	393	0	0	0	0	0	0	0	0
TOTAL FINANCING	648	1,084	631	443	1,074	1,074	631	1,468	2,099	2,099
POSITIONS BY FUND:										
GENERAL	12.0	12.0	12.0	9.0	21.0	21.0	12.0	9.0	21.0	21.0
TOTAL POSITIONS	12.0	12.0	12.0	9.0	21.0	21.0	12.0	9.0	21.0	21.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MENTAL HEALTH ADMINISTRATION
 PROGRAM: MENTAL HEALTH
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: CHILDREN'S MENTAL HEALTH INITIATIVE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 168	4.0	\$1,157	4.0
Governor's Recommendation				
General Fund	\$ 168	4.0	\$1,157	4.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to implement the 1988 Children's Mental Health Act. Specifically, this request includes \$950,000 for local implementation costs which will not be reimbursable from other sources and 4.0 positions to:

1. provide expertise in children's mental health services to state agencies, counties and providers;
2. coordinate the provision of mental health services to all children and their families, including prevention education and crisis services, as well as a full array of support and intervention services for emotionally disturbed children;
3. develop and support interagency collaborative efforts with the Departments of Human Services, Education, Corrections, Commerce and Health; and
4. provide appropriate support services in the Financial Management Division to implement the children's mental health initiative.

This request is part of the department's children's initiative.

DESCRIPTION/BACKGROUND:

1988 Legislation (M.S. sec. 245.696, subd. 2, 245.697, subd. 2, and 245.698) requires the Commissioner of Human Services to coordinate mental health services for children with other state agencies. The legislation also requires the department of human service to present an annual report describing progress towards, and making recommendations for, a comprehensive children's mental health service system. The legislation provided one time funding of \$65,000 for the first report and planning effort due 2-1-89, but also required additional reports each year until 1991. The proposed budget will enable continuation of a children's mental health coordinator now funded by temporary federal funds. The administrative costs include \$50,000 per year to provide training to agencies, providers and local advisory councils on the special mental health needs of children. The second year includes \$950,000

to reimburse local agencies for their costs in implementing the children's mental health initiative.

STATISTICS: F.Y. 1988 F.Y. 1989 F.Y. 1990 F.Y. 1991

Estimated number of children in Minnesota with:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Emotional disturbance	132,300	132,900	133,500	133,900
Severe emotional disturbance	57,500	57,800	58,000	58,200

RATIONALE:

Since children's mental health impacts all areas of concern to children, children's mental health is a key component of the Children's Initiative. The Mental Health Division will address the mental health needs of all children in service planning, from prevention and early intervention through services for the most severely emotionally disturbed.

A separate CHANGE request is included under the state Mental Health Grants activity to fund pilot projects for Therapeutic Foster Care for children with severe emotional disturbance. In addition, a separate CHANGE request is being submitted for a major expansion of children's mental health services using Medical Assistance funding. This request will provide the staffing expertise to guide the state and counties in this important new development effort. In addition, the \$950,000 for local agencies is needed for local implementation costs (including initial service provision) which will not be reimbursable from other sources.

<u>BASE:</u>	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ -0-	\$ 65	\$ -0-	\$ -0-

LONG RANGE IMPLICATIONS:

Long range implications depend on additional children's mental health legislation to be considered by the 1989 Legislature.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. At least half of the time of one position will be devoted to collaborative work with the Department of Education and other appropriate state agencies. The agency will present to the legislature, in 1990, a plan for allocating service funding. This request is a component of the Governor's Initiative on Children.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MENTAL HEALTH ADMINISTRATION
 PROGRAM: MENTAL HEALTH
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: IMPLEMENT MENTAL HEALTH ACT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 275	5.0	\$ 311	5.0
Governor's Recommendation				
General Fund	\$ 275	5.0	\$ 311	5.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to continue implementation of the Mental Health Initiative as required by the 1987 Comprehensive Mental Health Act. Funding is requested to continue 3.0 positions now funded by one time federal grants and add 2.0 new positions.

Each of these positions has key responsibilities required by the Comprehensive Mental Health Act. This request is part of the department's mental health initiative.

DESCRIPTION/BACKGROUND:

State funded staffing needs to be strengthened to ensure appropriate program development and supervision of counties and providers. The Mental Health Division was successful in obtaining a number of one time federal grants for new state staff to plan and implement the Comprehensive Mental Health Act during F.Y. 1989. The new federally funded staff are working very effectively with 7.0 new state funded staff approved by the 1987 Legislature. However, federal funds for 9.0 positions will end by, or during, F.Y. 1990. The department requests state funds for 3.0 of those 9.0 positions on this page. A separate page relating to children's mental health requests funding for 1.0 of those 9.0 positions. The other 4.0 positions relate to mental health services for refugees and rural areas and will not be continued. Specialized mental health services for refugees and rural areas will continue. Supervision of these specialized services will be reassigned to other staff in the Mental Health Division.

The positions included in this request are:

1. a mental health professional in the community based services unit to improve current efforts to provide supervision and technical assistance to counties and providers in the planning, development, implementation and coordination of mental health services as prescribed by the Mental

Health Act;

2. a research analyst position and a data entry position to implement a mental health information system as required by M.S. sec. 245.721;
3. a health care professional to address the mental health needs of the state's growing elderly population and to implement 1987 federal legislation which requires the state mental health authority to screen all applicants to nursing facilities and to conduct an annual review of all nursing facility residents who are mentally ill; and
4. a clerical position, .75 of which will be assigned to the financial and support services divisions in recognition of their growing responsibilities relating to the Mental Health Act.

In addition to the above positions, this request also includes funding for development of rules required by the Licensing Act (M.S. sec. 245A.01 to 245A.16) relating to day treatment, residential treatment and acute care hospital inpatient treatment for persons with mental illness. A separate CHANGE request includes new positions in the Licensing Division to implement these rules. In addition, this request includes \$60,000 per year for ongoing operating costs of the mental health information system required by M.S. sec. 245.721, and \$15,000 per year for expenses of the State Mental Health Advisory Council, which is a 25 member council appointed by the Governor as required by state and federal law and the Children's Mental Health Subcommittee established by the 1988 Legislature in M.S. sec. 245.697.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Estimated number of adults with mental illness in Minnesota	396,000	400,000	404,000	408,000
Estimated number with serious and persistent mental illness	31,500	31,800	32,100	32,400
Percentage of above who are over age 65	16.9%	17%	17.1%	17.2%

RATIONALE:

These positions are essential to implement the Comprehensive Mental Health Act.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 659	\$ 625*	\$ 600	\$ 600

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 311	\$ 311

* F.Y. 1989 includes a one-time appropriation of \$25,000 for study of the Rule 12/36 program.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

ACTIVITY: STATE MENTAL HEALTH GRANTS
 Program: MENTAL HEALTH
 Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

This activity provides state grants to counties to ensure that all community residential facilities for adults with mental illness meet and maintain compliance with program licensing standards; and to help adults with serious and persistent mental illness remain and function independently in their home communities.

1. Adult Residential Grants (Rule 12)

Statutory Reference: M.S. sec. 245.73

This activity was established by the legislature in 1981 to assist facilities in meeting minimum licensure standards. To implement the legislative requirements, the department promulgated Minnesota Rules 9520.0500 9520.0690 (Rule 36), which established licensing program standards; and Minnesota Rules 9535.2000 9535.3000 (Rule 12), which established funding criteria and procedures.

The Rule 36 standards address individual program plans, resident rights, and staffing requirements, and mandate compliance with health and fire safety standards and the Vulnerable Adults Act. Major objectives of Rule 36 are to reduce hospitalization and assist persons with mental illness in achieving a higher level of independent living. Through Rule 12, the state pays for up to 75% of program costs. Rule 12 requires these funds to be used for direct service costs only, not for room and board or capital expenditures. On the average, 94% of state Rule 12 funds are used for salary costs of direct service staff. County boards apply for Rule 12 funds on behalf of Rule 36 facilities by providing the Commissioner with a budget and program plan. Awards are based on compliance with the statute and Rule 12, reasonableness of costs, and availability of funds.

Since 1983, 33 new facilities have been developed, averaging 13 beds each and including 24 new facilities outside of Hennepin and Ramsey Counties. Some of these new facilities have specialized services for persons who are mentally ill and hearing impaired, mentally ill and chemically dependent, or mentally ill and behaviorally aggressive. At the same time, a few of the older, larger facilities have closed. This shift to smaller facilities located closer to the client's own community has resulted in improved service but with a reduction in statewide beds at a somewhat higher cost per person.

The joint effort of the Legislature, private sector, department, and counties to bring Rule 36 facilities up to licensure standards has been highly successful. Only 7 were licensed as of May 1981. Eighty were licensed as of May, 1988. Each facility meets fire, safety, and health standards. The initial distribution of Rule 12 funds was 72% in Hennepin and Ramsey Counties and 28% in other counties it is now 52% and 48% respectively.

ACTIVITY STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of licensed facilities	80	80	78	76
No. of licensed beds	1,774	1,767	1,690	1,617
No. of facilities receiving Rule 12 funds*	76	76	74	72
No. of beds funded under Rule 12	1,541	1,534	1,457	1,384
Average cost per person per day:				
Room and board (GA, MSA, SSI)	\$ 20.82	\$ 22.49	\$ 23.61	\$ 24.79
Program (state Rule 12 and match)	\$ 29.08	\$ 30.65	\$ 32.18	\$ 33.79
Total per person per day	\$ 49.90	\$ 53.14	\$ 55.79	\$ 58.58

* A few facilities maintain Rule 36 licensure without Rule 12 funding.

2. Grants for Community Support Services for Adults with Serious and Persistent Mental Illness (Rule 14):

Statutory Reference: M.S. sec. 256E.12

This activity awards grants to counties under provision of Minnesota Rules 9535.1000 to 9535.1600 (Rule 14) for services to persons with serious and persistent mental illness. The purpose of the program is to provide services that will assist individuals to stay in or near their home community and function at their maximum ability level. To be eligible for grants, counties must provide the following services: (a) client outreach; (b) medications management; (c) assistance in independent living skills; (d) employability and supportive work opportunities; (e) crisis assistance; (f) psychosocial rehabilitation; (g) help in applying for government benefits; (h) development, identification, and monitoring of living arrangements; and (i) case management.

In F.Y. 1988, all counties in the state were offered grants and a total of 86 submitted applications that were approved for funding.

This program continues to be effective in stabilizing the lives of persons with serious and persistent mental illness. The program has proven effective in reducing the number of persons needing to be hospitalized for their mental illness and by increasing the number of clients obtaining employment.

The goals of this activity include:

- a. providing grants to all counties of the state to assure availability of the full array of community support program services to all persons with serious and persistent mental illness;
- b. providing all counties with technical assistance and program consultation to assure that needed, appropriate services are being provided statewide;
- c. continuing the cooperative relationship with the Department of Jobs and Training, Division of Rehabilitative Services as a means of assisting counties to access all available state and local resources for provision of appropriate employability and related vocational rehabilitation services;

ACTIVITY: STATE MENTAL HEALTH GRANTS
(Continuation)

1990-91 Biennial Budget

Program: MENTAL HEALTH
Agency: HUMAN SERVICES, DEPARTMENT OF

2. Grants for Community Support Services for Adults with Serious and Persistent Mental Illness (Rule 14):

- d. placing a special emphasis on helping counties develop suitable housing alternatives for persons with serious and persistent mental illness. This includes matching funds for the new federal grant for mental health services to homeless persons; and
- e. providing additional support to the families of persons with serious and persistent mental illness and educating them about mental illness, the use of psychotropic medications, resources available, and coping strategies.

The employability component of community support services is closely coordinated with services available through the Department of Jobs and Training, Division of Rehabilitation Services (DRS). As part of the budget process, the MH Division is meeting with DRS to support DRS efforts to expand vocational services for persons with mental illness and to ensure there is no duplication between the two departments.

ACTIVITY STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. of counties served	83	86	87	87
No. of projects funded	71	76	77	77
New admissions during year	2,450	2,480	2,306	2,240
Total served during year	4,200	4,250	4,040	3,840

3. Special Project Grants

Statutory Reference: Laws of 1987, Chapter 403, Article 1, Section 2.

The 1987 Legislature provided, for the first time, a \$1 million appropriation for specialized mental health needs and services, pilot projects and training which cannot be funded through other funding sources, but which are necessary to the implementation of the Comprehensive Mental Health Act. After consultation with the State Mental Health Advisory Council, these funds were allocated for: implementation of the 1988 Supreme Court Jarvis decision, leadership training for local mental health advisory committee members, a state-wide public education campaign to reduce the stigma of illness, housing support services demonstration projects and training for county case managers.

4. Mental Health Outpatient Commitment

Statutory Reference: Laws of 1988, ch. 623.

The 1988 Legislature amended the Commitment Act to establish new standards for mental health outpatient commitment.

A new appropriation of \$60,000 was provided for 6 months of F.Y. 1989 for increased county costs relating to new commitments. Annualization of the \$60,000 results in a base level of \$120,00 for F.Y. 1990 and

F.Y. 1991.

GRANTS BY FUND:

(All general fund.)

ACTIVITY STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Adult residential grants	\$ 9,934	\$ 10,894	\$ 10,844	\$ 10,844
Community support program grants	4,983	7,396	7,196	7,196
Special project grants	40	960	500	500
Outpatient commitment	-0-	60	120	120
TOTAL:	\$ 14,957	\$ 19,310	\$ 18,660	\$ 18,660

FEDERAL ISSUES:

The federal government recently clarified laws and rules relating to Institutions for Mental Diseases (IMDs). It appears that all Rule 36 facilities with more than 16 beds will be classified as IMDs. All residents of IMDs under age 65 are ineligible for all Medical Assistance services, including doctor's visits, dental care, and drugs. This may require revision of the Rule 12 and Rule 14 grant programs, possible revisions of Rule 36 and budget changes described separately in a CHANGE page titled "Federal IMD Compliance" under General Assistance Medical Care (GAMC) grants.

LEGISLATIVE ISSUES:

As requested by the 1988 Legislature, the Legislative Audit Commission is conducting a program audit of the Rule 12 grant program and Rule 36 facilities. The audit is required to consider the extent to which facility size and ownership structure affect the quality of treatment; the appropriateness of the reimbursement and payment system, including methods of paying for building and land; and the impact of programs on residential areas. The department will review the LAC program audit results and will work with legislators to determine whether major changes are needed in the Rule 12 grant program and in Rule 36. The LAC program audit is expected to be completed by summer 1989.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested to accomplish the goals of this activity except as indicated on the CHANGE pages which follow.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : MENTAL HEALTH
BUDGET ACTIVITY : STATE MENTAL HEALTH GRANTS

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
EXPENSES/CONTRACTUAL SRVCS	39	1,017	620	120	740	740	620	340	960	960
STATE OPERATIONS	39	1,017	620	120	740	740	620	340	960	960
LOCAL ASSISTANCE	14,917	18,290	18,040	1,764	19,804	20,345	18,040	5,033	23,073	24,172
TOTAL EXPENDITURES	14,956	19,307	18,660	1,884	20,544	21,085	18,660	5,373	24,033	25,132
CHANGE REQUESTS: FUND										
B TRANSFER OUTPT COMM TO RULE 14					<120>	<120>		<120>		<120>
B ENHANCE COMM SUPPORT - RULE 14					1,043	1,584		2,743		3,842
B NURSING HOME REFORM ACT MH ALTERNATIVES					721	721		2,290		2,290
B THERAPEUTIC FOSTER CARE PILOT					240	240		460		460
TOTAL CHANGE REQUESTS					1,884	2,425		5,373		6,472
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	14,956	19,307	18,660	1,884	20,544	21,085	18,660	5,373	24,033	25,132
TOTAL FINANCING	14,956	19,307	18,660	1,884	20,544	21,085	18,660	5,373	24,033	25,132
POSITIONS BY FUND:										
TOTAL POSITIONS										

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: STATE MENTAL HEALTH GRANTS
 PROGRAM: MENTAL HEALTH
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: ENHANCE COMMUNITY SUPPORT SERVICES FOR ADULTS WITH SERIOUS AND PERSISTENT MENTAL ILLNESS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund (Rule 14)	\$1,043	-0-	\$2,743	-0-
General Fund (Rule 12)	0	-0-	0	-0-
General Fund (Outpatient Commitment)	(120)	-0-	(120)	-0-
Governor's Recommendation				
General Fund (Rules 12/14)	\$1,584	-0-	\$3,842	-0-
General Fund (Outpatient Commitment)	(120)	-0-	(120)	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above grant funds to continue implementation of the 1987 Comprehensive Mental Health Act. Specifically, funding is requested to:

1. fully develop community support programs in all 87 counties;
2. continue housing support service pilot projects now funded by one time state special funds.

This request is part of the department's mental health initiative.

DESCRIPTION/BACKGROUND:

The Comprehensive Mental Health Act requires counties to provide community support services to all persons with serious and persistent mental illness. Each community support program must consist of the following services: client outreach, crisis assistance, medication management, psychosocial rehabilitation, assistance with independent living skills, assistance in applying for government benefits, development of employability and supportive work opportunities and the development, identification and monitoring of living arrangements.

Although community support services were provided, in some form, in 48 counties prior to the passage of the Mental Health Act, counties were never required to provide all of these services nor were they required to provide

these services in an organized way. Two basic situations have developed:

1. counties who have previously provided community support services have needed to add or enhance their services to meet the new legislative mandates; and
2. counties who have never provided community support services prior to 7-1-88 have developed new programming but have been unable to fully develop all of the required components due to limited first time funding.

Beginning with 4-1-90, each county's Rule 14 allocation should be increased from the current minimum of \$25,000 per county or \$1 per capita to at least \$50,000 per county or \$1.80 per capita, based on the county's total population. Experience with programs now operating in 86 counties indicates that these are the minimum state Rule 14 funding levels needed to provide all the community support service components required by law.

Housing support service pilot projects are expected to be initiated in 5-10 counties in F.Y. 1989 in coordination with the community support programs. These projects are funded through one time Rule 14 and state special project funds which the 1988 Legislature transferred from F.Y. 1988 to F.Y. 1989. Funding is needed to continue these projects through the next biennium to provide adequate time to evaluate their effectiveness. The Mental Health Division plans to present an evaluation of these projects to the 1991 Legislature.

Since current law provides no automatic increase to cover the cost of inflation, BASE level for these programs actually means a decline in real dollars. These funds are used primarily for staff salaries. Since no additional funding is being requested for Rule 12 programs, it is expected that the number of funded beds will gradually decline.

The State Mental Health Grants budget activity includes a separate appropriation for mental health outpatient commitment. For the coming biennium, the department proposes to use these funds in a simpler and more effective manner as part of the Rule 14 grants to counties.

<u>STATISTICS-RULE 12:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of licensed facilities	80	80	78	76
No. of licensed beds	1,774	1,767	1,690	1,617
No. of facilities receiving Rule 12 funds *	76	76	74	74
No. of beds funded under Rule 12	1,541	1,534	1,457	1,384

* A few facilities maintain Rule 36 licensure without Rule 12 funding.

<u>STATISTICS-RULE 14:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of counties served	83	86*	87	87
No. of projects funded	71	76	77	77
New admissions during year	2,450	2,480	2,600	2,700
Total served during year	4,200	4,250	4,400	4,500

* For F.Y. 1989 one county plans to provide a community support program without a Rule 14 grant.

CHANGE REQUEST 1990-91 Biennial Budget
 _____ Agency _____ Program X Activity
 (Continuation)

ACTIVITY: STATE MENTAL HEALTH GRANTS
 PROGRAM: MENTAL HEALTH
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

RATIONALE:

The Comprehensive Mental Health Act requires that community support programs and residential treatment services be fully implemented with all subcomponents by 1-1-90. This funding request would enable substantial compliance with that requirement.

	<u>(Dollars in Thousands)</u>			
<u>BASE:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General Fund Expenditures	\$ 14,957	\$ 19,110*	\$ 18,660	\$ 18,660

	<u>(Dollars in Thousands)</u>	
<u>LONG RANGE IMPLICATIONS:</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>
General Fund Expenditures	\$ 2,623	\$ 2,623

* F.Y. 1989 includes one-time carryovers from F.Y. 1988: \$50,000 for adult residential grants, \$200,000 for community support program grants and \$260,000 for special project grants. These amounts are excluded from Same Level Funding for F.Y. 1990 and 1991.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested, except for a biennial increase of \$1,640,000. This will provide a 3% cost of living adjustment for Rules 12 and 14 programs and will allow full implementation of community support and residential services by 3-1-90.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: STATE MENTAL HEALTH GRANTS
 PROGRAM: MENTAL HEALTH
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: THERAPEUTIC FOSTER CARE PILOT PROJECTS FOR CHILDREN WITH SEVERE EMOTIONAL DISTURBANCE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 240	-0-	\$ 460	-0-
Governor's Recommendation				
General Fund	\$ 240	-0-	\$ 460	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds for 6 pilot projects to provide therapeutic foster care for children with severe emotional disturbance. This request is part of the department's children's initiative.

DESCRIPTION/BACKGROUND:

The system of care which exists in the state to address the mental health needs of children is incomplete and uncoordinated. Services are piecemeal, located sporadically around the state and do not include some of the less restrictive options proven to be effective with emotionally disturbed children. A promising option, successful in other parts of the country, which needs to be tried out on a pilot project basis in Minnesota, is therapeutic foster care for children with severe emotional disturbance.

Therapeutic foster care is a specialized type of foster care with intensive support services from community resources such as psychologists, schools, and physicians. An agency with a clearly defined program for emotionally disturbed children is assigned to coordinate the supportive services for the foster family. The family works as part of a team together with the supporting agencies to determine the foster parent training and services needed individually for each child.

During F.Y. 1990, the department would conduct a request for proposal process to choose 2 metro counties and 4 rural counties for pilot projects to provide therapeutic foster care for emotionally disturbed children. It is estimated that by January, 1990, 6 beds would be provided in each of the 4 rural counties and 18 beds in each of the 2 metro counties. In addition, during both F.Y. 1990 and F.Y. 1991, the Department would conduct a \$20,000 effort to develop and distribute appropriate foster care recruitment materials.

The program costs include \$20,000 in grants for physical renovations needed

at foster homes to comply with licensing standards. Most of this funding will be used for supportive services for the foster parents. The cost of the foster care will be paid through existing funding sources such as Federal Title IV-E funds.

STATISTICS: F.Y. 1988 F.Y. 1989 F.Y. 1990 F.Y. 1991

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Estimated number of seriously emotionally disturbed children to be served in therapeutic foster care:				
per day	-0-	-0-	60	60
per year	-0-	-0-	60	120

RATIONALE:

These projects may provide an effective alternative to costly institutionalization and would further the goals of the Permanency Planning Act, M.S. ch. 256F. Since counties now pay for most of the cost of children's residential treatment, these projects may result in significant savings to the pilot counties.

BASE: None.

LONG RANGE IMPLICATIONS:

(Long range implications depend on an evaluation of the pilot projects.)

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. This request is a component of the Governor's Initiative on Children.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: STATE MENTAL HEALTH GRANTS
 PROGRAM: MENTAL HEALTH
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: NURSING HOME REFORM ACT: MENTAL HEALTH ASSESSMENTS AND ALTERNATIVE PLACEMENTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund - This Activity	\$ 721	-0-	\$2,290	-0-
General Fund - MA Grants	(\$ 306)	-0-	(\$ 974)	-0-

Governor's Recommendation

General Fund - This Activity	\$ 721	-0-	\$2,290	-0-
General Fund - MA Grants	(\$ 306)	-0-	(\$ 974)	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to implement mental health aspects of nursing home reforms required by the Omnibus Budget and Reconciliation Act of 1987 (OBRA-87). This request is part of the department's mental health initiative.

DESCRIPTION/BACKGROUND:

OBRA 1987 is a federal law which mandates sweeping changes in the way nursing homes are managed and operated throughout the United States. These changes are to be phased in over the period 1988 to 1993. The law requires that an alternative disposition plan be developed and implemented for persons with mental illness who are determined inappropriate for nursing home placement under new federal guidelines. As of January 1989, the federal government was still developing the guidelines to implement OBRA-87. This budget request may change significantly after final federal guidelines are issued.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. of alternative placements	-0-	-0-	100	200
Cost per day per alternate placement	\$ -0-	\$ -0-	\$ 39.50	\$ 41.83

RATIONALE:

Based on limited information available as of January, 1989, it appears that alternative placements will need to be phased in over F.Y. 1990, F.Y. 1991, and F.Y. 1992 for up to 300 persons.

These changes will reduce what the state and federal government would

otherwise have spent for nursing homes under Medical Assistance. The new state funds requested will pay for the alternative placements. The changes are necessary to comply with federal law and provide for more appropriate services for persons with mental illness now residing in nursing homes.

Legislative Issue:

A statewide alternative disposition plan was developed in January, 1989. During 1989 each nursing home resident will be reviewed. Individual disposition plans will be prepared for persons determined to be inappropriately placed. These individual plans may require services which would be more appropriately funded through budget activities other than State Mental Health Grants. If that occurs, the department will request legislative approval to appropriate some or all of the above funds under other activities such as Minnesota Supplemental Aid or Medical Assistance. The total request will be reduced if the alternative placements qualify for federal reimbursement.

BASE: None.

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures		
This activity	\$ 4,042	\$ 5,137
MA Grant State Share	(\$ 1,719)	(\$ 2,185)

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

ACTIVITY: FEDERAL MENTAL HEALTH GRANTS
Program: MENTAL HEALTH
Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY DESCRIPTION:

This activity receives and administers 6 federal mental health grants.

1. Mental Health Portion of the Federal Alcohol, Drug Abuse, and Mental Health Services Block Grant:

Statutory Reference: M.S. sec. 245.70 to 245.718

This activity covers the 30% of the federal Alcohol, Drug Abuse and Mental Health Services Block Grant which supports mental health services in Minnesota.

ANTICIPATED RECEIPT DATES:

Funds are available for obligation for a 2 year period commencing at the beginning of the federal fiscal year in which funds are appropriated. Initial grant award notices have been received between November and June, with the balance of funds awarded in quarterly allotments throughout the fiscal year.

GRANT OBJECTIVES:

- a. To make grants to Indian tribal organizations for special Indian mental health services.
- b. To fund support costs of the State Indian Mental Health Advisory Committee.
- c. To award special statewide demonstration project grants for underserved populations and other special projects.
- d. To provide statewide planning and evaluation activities.

FEDERAL AND STATE PERMITTED USES AND USE RESTRICTIONS:

Federal law states that funds may be used for planning, establishing, maintaining, coordinating, and evaluating projects for more effective prevention, treatment, and rehabilitation programs and activities to deal with mental health. Federal and state restrictions are: at least 10% to initiate and provide new mental health services for severely disturbed children and adolescents and for unserved areas or underserved populations; not more than 25% for mental health services and advisory committees for Indian organizations; not more than 10% for statewide planning and evaluation and 10% on administration. Funds cannot be used to supplant state, local and other funds which would otherwise be available; only public and nonprofit private agencies are eligible grantees; funds cannot be used for inpatient hospital services or for acquisition of land or construction. Local grant recipients must provide five required services: (1) outpatient counseling; (2) 24-hour emergency services; (3) screening of individuals being considered for placement in state regional treatment centers; (4) day treatment; and (5) consultation and education services.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of counties receiving formula allocations	71	-0-	-0-	-0-
No. of Indian tribal organizations receiving grants	8	12	12	12
No. of grants for demonstration projects for services to underserved populations	5	21	21	21

PAST CHANGES IN ALLOCATIONS:

Effective 7-1-88, the following changes were made due to legislation adopted in 1987:

- a. The previous formula allocations to counties ended and were replaced by increased state grants under Rule 14.
- b. The set aside for Indian mental health services was increased from 12% to 25%.
- c. The allocation for demonstration projects was increased to 55%.

ALLOCATION RECOMMENDED BY AGENCY:

Based on current statute, the department recommends:

- a. 10% for state administration;
- b. 25% for Indian tribal organizations for special mental health services;
- c. 55% for statewide demonstration projects for services to children and underserved populations; and
- d. 10% for statewide planning and evaluation.

<u>GRANT USE:</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Financial assistance to political subdivisions and nonprofit agencies				
Indian tribal organizations	\$ 186	\$ 357	\$ 387	\$ 387
Children, underserved and demonstration grants	393	785	852	852
Northland Mental Health Center	-0-	-0-	-0-	-0-
County allocations	660	-0-	-0-	-0-
SUBTOTAL:	1,239	1,142	1,239	1,239
State Agency Operations				
Administration	\$ 155	\$ 143	\$ 155	\$ 155
Planning and Advisory Committees	155	142	155	155
SUBTOTAL:	310	285	310	310
TOTAL THIS GRANT:	\$ 1,549	\$ 1,427	\$ 1,549	\$ 1,549
Required State Match	None			
Required Local Match	None			
Agency Complement authorized by LAC for this grant	9	9	8	8

ACTIVITY: FEDERAL MENTAL HEALTH GRANTS
 (Continuation)
Program: MENTAL HEALTH
Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

FEDERAL ISSUES:

The amount of the federal mental health block grant for F.Y. 1989 is 8% less than F.Y. 1988. Latest available information indicates that F.Y. 1990 and F.Y. 1991 amounts will be at the F.Y. 1988 level. The lack of an inflation increase across 4 years is expected to result in loss of 1.0 position. A separate change page requests state funding for a children's mental health coordinator now funded by the above funds.

2. Refugee Mental Health:

This program was funded by the National Institute of Mental Health (NIMH) to be the state level focal point for addressing refugee mental health issues. The program was funded to improve/increase culturally sensitive services to an estimated 34,000 refugees in the state of Minnesota.

A committee structure has been developed which includes participation of providers and consumers in the mental health planning process. Participants provide input to the development of training, outcome evaluations, improvement of culturally sensitive diagnostic capabilities, identification of model programs, and the development of ongoing assessment processes.

A 3 part needs assessment was conducted to identify sources of current data available on refugees; and, to assess the mental health needs of refugees, to ascertain the gaps in service provision, and to identify system changes needed to improve refugee access to mental health services. Part III will be completed by the fall of 1988 and distributed to legislators and other decision-makers as were Parts I and II. It has been determined that the needs may be growing in terms of number of clients needing services and severity of their mental health problems.

A Statewide Comprehensive Refugee and Immigrant Mental Health Services Plan was developed using information gathered through the needs assessment committee structure. The purpose of this plan is to assist with the development of a statewide refugee mental health services delivery system which is culturally sensitive, comprehensive, cost effective, and directly correlates with the new mental health legislation.

In addition, technical assistance, coordination, distribution of resource materials, and many training events were provided statewide.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of refugee ethnic groups represented on committees	8	8	-0-	-0-
No. of organizations contacted	175	110	-0-	-0-
No. of participants attending training sessions	550	400	-0-	-0-

FEDERAL ISSUES:

The Refugee Mental Health Program is funded under a federal grant which will end by 6-30-89. Three staff funded by this grant will not be continued.

3. Mental Health Services for the Homeless:

Statutory Reference: Public Law 100-77, Title V, Part C, Public Health Services Act of 1988.

This activity utilizes federal homeless grant funds to help counties assess the need and develop appropriate specialized community based services for homeless persons with mental illness. Grants to counties are made in combination with state Rule 14 Community Support Program funds to assure linkage and ongoing provision of local services to homeless persons with serious and persistent mental illness. Specialized technical assistance and program consultation are being provided to the 7 counties that receive these grants.

Goals for this activity include provision of grants to counties having significant numbers of homeless persons in order to (a) identify the homeless with serious and persistent mental illness; (b) through outreach, assess the nature and severity of the problems of identified persons; (c) refer homeless persons with serious and persistent mental illness to appropriate community based services; and (d) assist counties with ongoing funding support for the provision of community support program services for homeless persons with serious and persistent mental illness.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of county grants	4	7	7	4

FEDERAL ISSUES:

There is the potential that Congress will extend the homeless legislation but probably at a reduced level.

4. COMMUNITY SUPPORT PROGRAM SERVICES FOR OLDER ADULTS:

Federal funding for this NIMH demonstration project began 9-30-86. The project includes a local demonstration site with the Range Mental Health Center and St. Louis County Social Services in Virginia, Minnesota.

The local project staff have enhanced collaboration between mental health and aging services as well as long term care and other health and social service networks. They have also increased the use of community based services and provided training to enhance provider skills and to increase public awareness of mental health needs of older adults. The state project director is assessing the lessons learned from the local demonstration project and developing a statewide implement-

ACTIVITY: FEDERAL MENTAL HEALTH GRANTS
 (Continuation)
Program: MENTAL HEALTH
Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ation program.

The Community Support Program Services for Older Adults is funded under a federal grant which will end 12-31-89. The CHANGE request titled "Implement Mental Health Act" requests state funding to continue one position which is now funded by this grant.

5. Federal Planning Grant

For F.Y. 1989, Minnesota obtained a federal grant of \$82,000 to develop a 3 year state mental health plan as required by P.L. 99-660. The Legislative Advisory Commission approved use of these funds for 2 positions, a research analyst and a clerical person. These funds are also being used to supplement 1-time federal block grant funds for a position to staff the state Mental Health Advisory Council and to coordinate the development of the 3-year state plan. The CHANGE request titled "Implement Mental Health Act" requests state funding to continue positions which are now funded by this grant.

FEDERAL ISSUES

P.L. 99-660 requires an annual update of the state plan for each of the next 3 years. Although the positions funded by this grant in F.Y. 1989 will be essential to update and implement the plan in F.Y. 1990 and F.Y. 1991, federal funding will end 5-31-90.

6. Rural Mental Health Program:

This program was funded by the NIMH to assist the state in developing demonstration programs that are effective in helping persons with mental health problems that result from the rural crisis situation. The program includes a cooperative interagency agreement with the Minnesota Agriculture Department and the University of Minnesota, Agricultural Extension Service. Program demonstration grants have been made to three area mental health centers that serve 15 contiguous counties in southwestern Minnesota. The Department uses a portion of the federal grant to fund a half time position for the Minnesota Extension Service.

Goals for this activity include:

- a. Development of an interagency cooperative agreement including (1) Department of Human Services, (2) Department of Agriculture, and (3) Minnesota Extension Service.
- b. Development of a state level Rural Mental Health Crisis Advisory Committee involving representatives from all the state agencies involved with services to rural area persons.
- c. Use of the interagency cooperative agreement and the State Rural Crisis Advisory Committee to improve coordination and cooperation among the state agencies that provide important services to rural area persons.
- d. Program demonstration grants to 3 mental health centers serving the

southwestern area of Minnesota.

- e. As a cooperative effort with the Minnesota Extension Service, development of a statewide training workshop to assist local agency personnel effectively work with individuals and families whose lives are disrupted by the rural crisis.

ACTIVITY STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of mental health center grants	3	3	3	-0-
Special project grants	1	1	1	-0-
No. of interagency meetings	2	6	6	-0-
No. of State Advisory Committee meetings	2	6	6	6
Meeting with community outreach workers	2	10	10	-0-

FEDERAL ISSUES:

The Rural Mental Health Program is funded by a 1 time federal grant that will expire 8-15-89. The position funded by this grant will not be continued.

GRANTS BY FUNDS:
 (All federal funds)

	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Mental Health Block Grant	\$ 1,549	\$ 1,427	\$ 1,549	\$ 1,549
Refugee Mental Health Program	110	117	-0-	-0-
Mental Health Services for Homeless	4	512	250	250
Community Support Program Services for Older Adults	140	140	72	-0-
Planning Grant	-0-	92	72	-0-
Rural Mental Health	75	175	72	-0-
TOTAL:	\$ 1,878	\$ 2,463	\$ 2,015	\$ 1,799

EXPLANATION OF BUDGET REQUEST:

No state funding for this activity is requested for the remainder of the grant periods. See separate requests for state funding after termination of the grants for Older Adults and for Planning.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : MENTAL HEALTH
BUDGET ACTIVITY : FEDERAL MENTAL HEALTH GRANTS

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	325	568	386	0	386	386	293	0	293	293
EXPENSES/CONTRACTUAL SRVCS	28	103	63	0	63	63	57	0	57	57
MISC OPERATING EXPENSES	35	27	19	0	19	19	14	0	14	14
SUPPLIES/MATERIALS/PARTS	2	8	7	0	7	7	0	0	0	0
CAPITAL EQUIPMENT	0	12	12	0	12	12	0	0	0	0
REDISTRIBUTIONS	5	29	29	0	29	29	26	0	26	26
STATE OPERATIONS	395	747	516	0	516	516	390	0	390	390
LOCAL ASSISTANCE	1,792	1,927	1,499	0	1,499	1,499	1,409	0	1,409	1,409
TOTAL EXPENDITURES	2,187	2,674	2,015	0	2,015	2,015	1,799	0	1,799	1,799
SOURCES OF FINANCING:										
STATUTORY APPROPRIATIONS:										
FEDERAL	2,187	2,674	2,015	0	2,015	2,015	1,799	0	1,799	1,799
TOTAL FINANCING	2,187	2,674	2,015	0	2,015	2,015	1,799	0	1,799	1,799
POSITIONS BY FUND:										
FEDERAL	14.0	15.5	12.5	0.0	12.5	12.5	8.5	0.0	8.5	8.5
TOTAL POSITIONS	14.0	15.5	12.5	0.0	12.5	12.5	8.5	0.0	8.5	8.5

PROGRAM: FAMILY SUPPORT
AGENCY: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

PROGRAM PURPOSE:

This program administers a variety of programs and services designed to: (1) enforce child support laws as a primary financial resource for families with children in financial need; (2) provide financial assistance to families when their own resources are not sufficient to prevent destitution; and (3) provide supportive services and training needed to help families become self-sufficient.

This program consists of the Assistance Payments Division, Quality Control/Corrective Action section, the Refugee and Immigrant Assistance Division, the Child Support Enforcement Division, the Reports and Statistics Division, the MAXIS Automation Project, and the Office for Civil Rights. This program is responsible for administering the following financial aid programs, Aid to Families with Dependent Children (AFDC), Refugee Cash Assistance (RCA), General Assistance (GA), Work Readiness (WR), Minnesota Supplemental Assistance (MSA), Food Stamps (FS) and Emergency AFDC (EA), Emergency General Assistance (EGA), and Telephone Assistance (TA). The program is responsible for the development of the MAXIS automated eligibility system, development of the child support enforcement information system, and development of Minnesota's welfare reform initiatives. The program is also responsible for assuring that civil rights requirements are met in the administration of the financial aid programs.

The program provides, through contracts with the Minnesota Department of Jobs and Training, employment and training opportunities to help public assistance recipients become self-sufficient.

These responsibilities are met by carrying out policies established in state and federal law and regulation. Rules and operating procedures are developed and promulgated. The Department of Human Services supervises the County Human Service Agency administration of financial aid programs.

OPERATIONS:

This program encompasses the following operations:

1. Analyze state legislation, federal law and regulation and prepare official responses.
2. Develop statewide rules and instructions for the administration and management of the various financial aid programs based on state law and federal regulations.
3. Monitor local agency performance through quality control and management evaluation reviews.
4. Develop state corrective action plans and review of local agency corrective action plans designed to improve program operation and reduce program error.
5. Develop and implement a statewide fraud prevention and control initiative.
6. Prepare state and federal income maintenance reports and special studies.
7. Forecast income maintenance trends and expenditures.
8. Develop statewide policies for the administration of programs and services for refugees and immigrants.
9. Provide training and consultation to service providers within the public

human services system.

10. Develop and implement the statewide automated eligibility system now referred to as MAXIS.
11. Implement the Child Support Enforcement automated system.
12. Conduct civil rights reviews of county human service agencies.
13. Develop and implement child support enforcement policies designed to improve collection methods and enhance collections.
14. Develop policies and programs intended to improve the Minnesota public welfare system, i.e., PATHS, Minnesota Family Investment Program, etc.

MAJOR POLICY ISSUES:

Automation: Continued development and successful implementation of the MAXIS and the Child Support automated systems.

Welfare Reform: Continued development of concepts and program innovations designed to move individuals and families toward economic independence.

PATHS: Refinement of principles and policies for more comprehensive program reform.

Refugee Resettlement: Funding for state initiatives to ensure adequate services for the resettlement of refugees coming to Minnesota.

Program Integrity: Enhance efforts to ensure a continued high level of program integrity and effective means of dealing with program abuse.

PROGRAM PRIORITIES:

1. Department initiatives:
 - a. Child Support Enforcement, AFDC, and child care as part of the children's initiative.
 - b. MAXIS and child support system as a part of the information systems initiative.
 - c. Welfare reform.
 - d. Refugee resettlement.
2. Other program priorities:
 - a. Implementation of quality assurance/monitoring system under 100% state financing of income maintenance programs, effective January, 1990.
 - b. Fraud prevention and control.

GOVERNOR'S RECOMMENDATION:

The Governor recommends a BASE of \$365,994,000 and a biennial increase of \$27,425,000 for the F.Y. 1990-91 budget. Details for increased funding can be found on the following budget activity CHANGE pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : FAMILY SUPPORT

ACTIVITY EXPENDITURES:	F.Y. 1990						F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
ASSISTANCE PAYMENTS ADMINISTRATION	1,702	1,924	1,924	866	2,790	2,890	1,924	661	2,585	2,685	
B GA/SSI CONVERSION PROJECT GEN				40		40		40		40	
B REVISION OF GA/MSA RATE SETTING PROCESS GEN				286		286		86		86	
B JOINING FORCES PILOT PROJECTS-SCHOOL ACCESS GEN				100		350		100		350	
B FOOD STAMP OUTREACH GEN				150		0		150		0	
B ELIGIBILITY VERIFICATION INVESTIGATION GEN				100		100		118		118	
B MINNESOTA FAMILY INVESTMENT PLAN GEN				190		190		167		167	
QUALITY CONTROL/CORRECTIVE ACTION	1,434	1,665	2,836	2,350	5,186	2,836	2,836	435	3,271	2,836	
B FOOD STAMP AND AFDC SANCTION GEN				2,350		0		435		0	
EMPLOYMENT AND TRAINING	5,716	16,383	12,136	7,161	19,297	17,399	12,136	6,661	18,797	16,315	
B FSET PROGRAM EXPANSION GEN				1,500		1,500		1,500		1,500	
B INCREASE FUNDING FOR PATHS CM AND E & T GEN				5,000		3,402		5,000		2,818	
B CONTINUED FUNDING OF SEID PROJECTS GEN				500		500		0		0	
B INCREASE WORK READINESS SERVICES FUNDING GEN				300		0		300		0	
B WORK INCENTIVE SUB HOUSING - ELIM GEN				<139>		<139>		<139>		<139>	
REFUGEE AND IMMIGRANT ASSISTANCE	15,280	12,882	12,862	1,018	13,880	13,530	12,862	1,216	14,078	13,728	
B BI-CULTURAL EMPLOYMENT SERVICE GEN				700		350		700		350	
B CHILD WELFARE FOR ASIAN YOUTH GEN				118		118		116		116	
B SOCIAL ADJUSTMENT / MENTAL HEALTH GEN				200		200		400		400	
CHILD SUPPORT ENFORCEMENT	2,563	6,604	7,650	1,296	8,946	8,888	7,938	2,597	10,535	10,537	
B CHILD SUPPORT INCENTIVES GEN				658		600		1,998		2,000	
B EXPANSION OF ADMINISTRATIVE PROCESS GEN				45		45		40		40	
B IMPLEMENT OF AUTOMATIC INC. WITHHOLDING GEN				115		115		85		85	
B CHILD SUPPORT ENFORCE SYSTEM ADMIN/MAINT. GEN				413		413		413		413	

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : FAMILY SUPPORT

ACTIVITY EXPENDITURES:		F.Y. 1990					F.Y. 1991				
		FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
				BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
B CHILD SUPPORT WORKERS COMP MATCH	GEN				65		65		61		61
REPORTS AND ANALYSES		664	770	742	0	742	742	742	0	742	742
STATEWIDE AUTOMATED ELIGIBILITY - MAXIS		1,362	6,843	12,268	6,520	18,788	18,084	7,984	12,283	20,267	13,468
B MAXIS DEVELOPMENT AND IMPLEMENTATION	GEN				5,395		5,395		2,282		2,282
B MAXIS SYSTEM OPERATIONS	GEN				440		64		2,023		212
B MAXIS SYSTEM OPERATIONS	GEN				685		357		7,978		2,990
AFDC GRANTS		238,443	239,293	228,397	9,703	238,100	227,083	230,096	13,683	243,779	228,642
B ADMIN PROCESS CHILD SUPPORT	GEN				<401>		<401>		<402>		<402>
B CHILD SUPPORT WORKER COMP MATCH	GEN				<256>		<256>		<256>		<256>
B ADMINISTRATIVE JUDGEMENT-IMPACT ON AFDC	GEN				<343>		<343>		<482>		<482>
B PATERNITY ADJUDICATIONS-IMPACT ON AFDC	GEN				<110>		<110>		<110>		<110>
B SIMPLIFY AND INCREASE AFDC GRANTS	GEN				6,143		0		10,184		0
B ELIGIBILITY VERIFICATION INVESTIGATION	GEN				<204>		<204>		<204>		<204>
B AFDC HOUSING SUPPLEMENT	GEN				4,874		0		4,953		0
GA GRANTS		38,756	42,147	42,595	168	42,763	41,651	43,707	1,450	45,157	42,709
B RESERVE BED DAYS	GEN				71		0		81		0
B GA/SSI CONVERSION PROJECT	GEN				<944>		<944>		<998>		<998>
B REDUCE GA BASE-CHANGE IN FUNCT. ILLITERA	GEN				<566>		0		<579>		0
B INCREASE GENERAL ASSISTANCE GRANTS	GEN				1,607		0		2,946		0
WORK READINESS GRANTS		9,925	13,494	10,482	780	11,262	10,482	10,554	793	11,347	10,554
B INCR WR DUE GA FUNCTION ILLITERACY DEFIN	GEN				425		0		435		0
B INCREASE WORK READINESS GRANTS	GEN				355		0		358		0
MSA GRANTS		20,658	25,701	30,552	2,968	33,520	32,491	35,671	3,938	39,609	38,027
B PAYMENT OF RESERVE BED DAYS	GEN				450		0		530		0
B SILS GRANTS INCREASE	GEN				77		77		161		161
B M.S.A. - REFORM & SIMPLIFICATION	GEN				0		0		514		514

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : FAMILY SUPPORT

ACTIVITY EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
B EXEMPT IMD S FROM RATE CAP				2,441		1,862		2,690		1,638
B RTC NEGOTIATIONS - TARGETING WAIVER				0		0		43		43
TOTAL EXPENDITURES	336,503	367,706	362,444	32,830	395,274	376,076	366,450	43,717	410,167	380,243
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	143,971	159,723	179,328	32,830	212,158	192,960	186,666	43,717	230,383	200,459
STATUTORY APPROPRIATIONS:										
GENERAL	366	396	0	0	0	0	0	0	0	0
SPECIAL REVENUE	2,927	12,353	12,358	0	12,358	12,358	8,074	0	8,074	8,074
FEDERAL	189,159	195,161	170,748	0	170,748	170,748	171,700	0	171,700	171,700
AGENCY	74	43	0	0	0	0	0	0	0	0
GIFTS AND DEPOSITS	6	30	10	0	10	10	10	0	10	10
TOTAL FINANCING	336,503	367,706	362,444	32,830	395,274	376,076	366,450	43,717	410,167	380,243
POSITIONS BY FUND:										
GENERAL	96.0	121.0	124.0	40.0	164.0	165.0	124.0	54.0	178.0	179.0
SPECIAL REVENUE	10.0	10.0	7.0	0.0	7.0	7.0	7.0	0.0	7.0	7.0
FEDERAL	19.0	17.5	17.5	0.0	17.5	17.5	17.5	0.0	17.5	17.5
TOTAL POSITIONS	125.0	148.5	148.5	40.0	188.5	189.5	148.5	54.0	202.5	203.5

ACTIVITY: ASSISTANCE PAYMENTS ADMINISTRATION 1990-91 Biennial Budget
 Program: FAMILY SUPPORT
 Agency: HUMAN SERVICES, DEPARTMENT OF

ACTIVITY OBJECTIVE:

To manage the Aid to Families with Dependent Children (AFDC), Emergency Assistance (EA), Food Stamps (FS), General Assistance (GA), Work Readiness (WR), Minnesota Supplemental Aid (MSA), Telephone Assistance (TA) programs to supervise employment and training programs to move welfare recipients into self-sufficiency, including PATHS and the Food Stamp Employment and Training (FSET) program; to monitor county human service agency administration of their programs and enforce compliance with federal and state requirements; and to operate fraud prevention and control activities to prevent mispayments and program abuse.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Policy inquiry responses sent in 5 days	45%	55%	65%	75%
Scheduled County Reviews completed	100%	100%	100%	100%
Client Problems resolved within 10 days	80%	85%	90%	90%
Rule Parts developed and issued timely	85%	90%	95%	95%
County agencies with fraud control programs	60%	65%	70%	75%

ACTIVITY DESCRIPTION:

This activity manages the assistance payments programs and supervises their administration by local agencies. This is accomplished by: analysis and preparation of legislation; rulemaking; policy interpretation; issuance of instructions and training to local agencies; monitoring and evaluation of local agencies; budget preparation; management of human resources; liaison to, and for, federal and executive policy decision making; and development of division information systems. This activity also responds to inquiries from agencies or individuals, resolves complaints, coordinates anti-fraud activities including wage and case computer matches, and resolves disputes concerning county residency. Results are: (1) improved administration of policies; (2) program improvements that lead to increased recipient self-sufficiency; (3) efficient budget control and planning; and (4) increased staff productivity.

ACCOMPLISHMENTS AND GOALS:

Accomplishments:

1. Developed and implemented a single combined application form for all public assistance programs.
2. Rulemaking completed to implement literacy training requirements in the GA program, to prohibit WR payments to persons who voluntarily quit employment, and to implement PATHS employment and training programs.
3. Comprehensive Fraud Prevention and Control Plan developed; some sections were implemented, others were developed into a legislative proposal.
4. In partnership with the Public Utilities Commission, developed and imple-

mented the Telephone Assistance Program that will serve 35,000 elderly and disabled persons.

5. Developed and implemented the AFDC minor parent high school attendance requirement.
6. Increased training for local agency staff.
7. Improved FS claims collection by 80% from F.Y. 1987 through F.Y. 1988.
8. Simplified AFDC verification procedures through joint county, client advocate, and DHS effort.

Goals:

1. Prepare for automation of assistance payments programs. Analyze, develop, and implement necessary procedural changes.
2. Implement monitoring and technical assistance system mandated by 1988 legislation providing for state takeover of county income maintenance program benefit costs.
3. Combine all public assistance program operating manuals into a single combined manual. This will bring all operating instructions up to date, make policy more accessible to workers and clients, facilitate automation, and help further simplify program administration.
4. Integrate quality control review system for improved efficiency.
5. Expand fraud prevention and control efforts.
6. Provide training to enable local eligibility workers to handle multiple programs.

ACTIVITY STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
County reviews completed	54	50	53	50
Training programs conducted	70	125	125	100
Rule parts in development	35	30	25	20
Rule parts completed	36	35	25	15
Civil Rights reviews completed	34	30	33	30
Policy inquiries answered	1,800	1,800	1,800	1,800
Responses to citizen inquiries	1,700	1,900	1,600	1,600
County fraud investigations initiated	4,500	5,000	5,500	6,000
County residency disputes resolved	240	300	180	60

LEGISLATIVE ISSUES:

Legislation is proposed to:

1. Improve PATHS program effectiveness and efficiency through program administration changes and funding refinements.
2. Implement in 3 counties a pilot test of whether requiring children on AFDC between the ages of 12 and 18 to attend school as a condition of receiving AFDC serves to prevent or reduce long-term AFDC dependency.
3. Reform and simplify the MSA program; includes changes to clarify program authority and ratesetting for negotiated rate facilities, payment for reserved bed days, and establishing uniform statewide rates for adult foster care payments.
4. Provide funding and a change in the Data Practices Act to improve administration of the Telephone Assistance Program.
5. Seek legislative rationalization of the principles of the Minnesota Family Investment Plan so that the department can seek federal waivers needed to enable the plan to proceed.

ACTIVITY: ASSISTANCE PAYMENTS ADMINISTRATION **1990-91 Biennial Budget**
(Continuation)
Program: FAMILY SUPPORT
Agency: HUMAN SERVICES, DEPARTMENT OF

LEGISLATIVE ISSUES: (Contd.)

6. Implement pre-application investigations to reduce mispayments.
7. Simplify assistance program eligibility policies.

FEDERAL ISSUES:

1. Congress is considering changes to the AFDC program which may significantly change AFDC employment and training requirements, and may moderately affect AFDC eligibility conditions and grant levels. Should this legislation pass, the department will incorporate necessary changes to state statute into its legislative proposals.
2. Minnesota is seeking Congressional approval to obtain waivers needed to proceed with the Minnesota Family Investment Plan. Should Congress act favorably, the department will seek authority from the Legislature to proceed with development.

REVENUE:

This activity earns federal administrative reimbursement at a rate of 38.8% of expenditures. These reimbursements are deposited into the state general fund.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested to accomplish the goals of this activity except as detailed on the following change pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : FAMILY SUPPORT
BUDGET ACTIVITY : ASSISTANCE PAYMENTS ADMINISTRATION

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	1,008	1,133	1,283	232	1,515	1,715	1,283	232	1,515	1,715
EXPENSES/CONTRACTUAL SRVCS	412	653	503	243	746	746	503	27	530	530
MISC OPERATING EXPENSES	197	112	112	25	137	137	112	27	139	139
SUPPLIES/MATERIALS/PARTS	44	13	13	18	31	31	13	18	31	31
CAPITAL EQUIPMENT	41	13	13	6	19	19	13	1	14	14
STATE OPERATIONS	1,702	1,924	1,924	524	2,448	2,648	1,924	305	2,229	2,429
LOCAL ASSISTANCE	0	0	0	342	342	242	0	356	356	256
TOTAL EXPENDITURES	1,702	1,924	1,924	866	2,790	2,890	1,924	661	2,585	2,685
CHANGE REQUESTS: FUND										
B GA/SSI CONVERSION PROJECT				40		40		40		40
B REVISION OF GA/HSA RATE SETTING PROCESS				286		286		86		86
B JOINING FORCES PILOT PROJECTS-SCHOOL ACCESS				100		350		100		350
B FOOD STAMP OUTREACH				150		0		150		0
B ELIGIBILITY VERIFICATION INVESTIGATION				100		100		118		118
B MINNESOTA FAMILY INVESTMENT PLAN				190		190		167		167
TOTAL CHANGE REQUESTS				866		966		661		761
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,702	1,834	1,834	866	2,700	2,800	1,834	661	2,495	2,595
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	0	90	90	0	90	90	90	0	90	90
TOTAL FINANCING	1,702	1,924	1,924	866	2,790	2,890	1,924	661	2,585	2,685
POSITIONS BY FUND:										

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : FAMILY SUPPORT
BUDGET ACTIVITY : ASSISTANCE PAYMENTS ADMINISTRATION

POSITIONS BY FUND:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
GENERAL	27.7	27.5	29.5	7.0	36.5	37.5	29.5	7.0	36.5	37.5
TOTAL POSITIONS	27.7	27.5	29.5	7.0	36.5	37.5	29.5	7.0	36.5	37.5

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: ASSISTANCE PAYMENTS ADMINISTRATION
 PROGRAM: FAMILY SUPPORT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: MINNESOTA FAMILY INVESTMENT PLAN STAFF

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 190	4.0	\$ 167	4.0
Governor's Recommendation				
General Fund	\$ 190	4.0	\$ 167	4.0

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S 256.

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to design and develop a program for comprehensive welfare reform. This request is part of the department's welfare reform initiative.

DESCRIPTION/BACKGROUND:

Reform is needed for welfare programs for families. Current programs are inefficient and the goals are unclear. They do not provide effective supports or incentives to move families into self-support.

The structure of the current system is fixed in federal law. Meaningful reform can only be achieved by obtaining broad waivers of federal law and regulation. Assuming federal authority to do this becomes available, this change in state law would permit the department to move ahead with the "Minnesota Family Investment Plan" (MFIP) demonstration project.

The MFIP will be a radical departure from current programs. The reforms must be pilot tested to: (1) confirm their desirability; (2) evaluate options; and (3) refine models for program administration.

RATIONALE:

This request is necessary to provide support for reform of the flawed welfare system that currently exists. Staff will prepare an application for federal waiver and supporting documentation, plan coordinated field trials, assist local projects, and evaluate project conduct and outcomes.

BASE: None.

LONG RANGE IMPLICATIONS:

(Dollars in Thousands)
F.Y. 1992 F.Y. 1993

General Fund Expenditures \$ 167 \$ 167

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. Of the positions recommended, 1.0 is for the purpose of coordinating interagency welfare reform efforts involving the Departments of Jobs and Training, Education, Health, Higher Education, Planning, Finance and other relevant agencies as necessary. This request will generate \$139,000 for the biennium, which will be non-dedicated receipts to the General Fund.

CHANGE REQUEST 1990-91 Biennial Budget

___ Agency ___ Program X Activity

ACTIVITY: ASSISTANCE PAYMENTS ADMINISTRATION
 PROGRAM: FAMILY SUPPORT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: GA\SSI CONVERSION PROJECT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 40	1.0	\$ 40	1.0
General Fund (GA Grants)	(\$ 944)		(\$ 998)	
General Fund (GAMC Grants)	(\$1,185)		(\$1,285)	
General Fund (MA Grants)	\$ 503		\$ 546	

Governor's Recommendation

General Fund	\$ 40	1.0	\$ 40	1.0
General Fund (GA Grants)	(\$ 944)		(\$ 998)	
General Fund (GAMC Grants)	(\$1,185)		(\$1,285)	
General Fund (MA Grants)	\$ 503		\$ 546	

Request requires statutory change: ___ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and position to continue the monitoring, training, and coordination activities initiated by the General Assistance (GA) to Supplemental Security Income (SSI) Conversion Project.

DESCRIPTION/BACKGROUND:

Interim Assistance Advocacy Incentive Program (IAAIP) legislation was passed in 1983 and rulemaking completed in 1985. The purpose of the law is to: move eligible persons off General Assistance onto federally funded SSI; require counties to assist General Assistance clients in the application process for SSI; and provide financial incentives to counties to assist clients in the SSI application process. From 1983 to 1984, there was no funding for the department to provide training and monitoring needed to fully implement this legislation.

The GA to SSI Conversion Project, which is funded through June, 1989, is providing training and will do follow-up monitoring. Once this project is completed, however, effective IAAIP services will not continue unless funding is provided for the department to continue monitoring, coordination, and training efforts. The department has accepted ongoing administrative responsibility of the interim assistance program through its interim assistance contract with the federal government. The department needs a full-time interim assistance coordinator to meet its administrative responsibilities, to maximize the amount of interim assistance recovered and to move clients from the state-funded GAMC program onto to the federally funded Medical Assistance and Medicare programs.

RATIONALE:

This request is necessary to increase local agencies' efforts to identify and assist General Assistance recipients who are potentially eligible for SSI with the SSI application process and to continue the monitoring, training, and coordination activities initiated by the GA/SSI Conversion Project.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-
General Fund Expenditures				
GA Grants	(671)	(671)	(671)	(671)
GAMC Grants	(537)	(537)	(537)	(537)
MA Grants	226	226	226	226

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 40	\$ 40
General Fund Expenditures		
GA Grants	(1,002)	(1,006)
GAMC Grants	(1,345)	(1,402)
MA Grants	572	596

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: ASSISTANCE PAYMENTS ADMINISTRATION
 PROGRAM: FAMILY SUPPORT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: "JOINING FORCES" PILOT PROJECTS - IMPROVE ACCESS TO SCHOOLS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 100	-0-	\$ 100	-0-
Governor's Recommendation				
General Fund	\$ 350	1.0	\$ 350	1.0

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 256.736

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funding to enable Minnesota to serve as a demonstration site for the National Association of State Boards of Education's "joining forces" initiative. More specifically, Minnesota would like to test the effects of expanding educational opportunities for Aid to Families with Dependent Children (AFDC) recipients participating in PATHS and improving access to existing school programs for recipients of AFDC who are minor parents or over age 21 with no high school diploma. The funding will cover the costs of preparing project proposals, providing needed client tracking, developing increased coordination with other agencies, increased reporting, and the ongoing evaluation of participant experiences. This request is part of the department's welfare reform initiative.

DESCRIPTION/BACKGROUND:

The 1988 Legislature passed legislation requiring minor parents receiving Aid to Families with Dependent Children (AFDC) to attend high school. This request for funding will help to fully implement the minor parent legislation in pilot areas. The projects will be designed to better serve the needs of minor parents and to improve access to recipients over 21 to programs for completion of high school or GED programs. The projects will be initiated for a 2-year period based on joint proposals submitted by county human service agencies and the local school district.

RATIONALE:

Lack of a high school education has historically been considered a major factor in long-term public assistance dependency. Employment opportunities available to an AFDC recipient are vastly reduced when the person has not completed high school. Annually, over 165,000 children receive AFDC assistance, with over 103,000 receiving benefits at any one time. It is estimated that 25% of these children will not complete high school or receive a General Equivalency Diploma (GED). The selection of three pilot projects will enable

Minnesota to examine proposals in varying locations, both urban and rural. The results of the pilot projects will signal the feasibility of implementing this process statewide.

BASE: None.

LONG RANGE IMPLICATIONS:

Will depend upon outcome of pilots.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an alternative funding level of \$700,000, folding in \$400,000 from the Adolescent Parent request from the Social Services division and adding \$100,000 to support Department of Jobs and Training participation.

The Governor recommends use of funds for 4 purposes, focusing on at-risk youth, particularly teenage parents:

1. A state-level cooperative effort between the Departments of Human Services and Jobs and Training and the Department of Education, with funds allocated to each agency. They should provide technical assistance to counties and local agencies in building cooperative programming, promoting existing programs such as enrollment options, PATHS, Minnesota Youth Program, etc.
2. Grants for demonstration sites for Joining Forces projects, building models of school district--human services cooperation.
3. Grants for demonstration sites or services dealing with the needs of adolescent parents or adolescents at-risk of pregnancy, especially those who are already in the social services system with other needs.
4. Evaluation of current programs for adolescent parents and at-risk adolescents.

This request will generate \$114,000 for the biennium, which will be non-dedicated receipts to the General Fund. This request is supported as a part of the Governor's Initiative on Children.

CHANGE REQUEST _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: ASSISTANCE PAYMENTS ADMINISTRATION
 PROGRAM: FAMILY SUPPORT PROGRAMS
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: FOOD STAMP OUTREACH

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 150	-0-	\$ 150	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to develop and implement expanded Food Stamp (FS) outreach programs to increase access to and use of food stamps by the homeless and other groups likely to be eligible for assistance.

DESCRIPTION/BACKGROUND:

In 1988 the Minnesota Legislature appropriated \$100,000 for FS outreach activities for F.Y. 1989. That appropriation funded outreach efforts targeted primarily to the homeless. The scope of those outreach efforts was limited because federal financial reimbursement was available only for selected target groups.

The Hunger Prevention Act of 1988 authorizes \$1.5 billion in increased spending over the next 3 years for federal nutrition programs and represents the most significant increase in nutrition assistance benefits in a decade. One feature of the new legislation is the reinstatement of federal matching funds for FS outreach activities for other groups. They now can be targeted to persons for whom federal reimbursement was previously not available. This legislation also permits the department to develop new and more effective outreach activities than those permitted several years ago under federal regulations.

Outreach efforts, endorsed by the department and advocacy groups, reduce the barriers that disadvantaged persons must overcome to receive FS benefits.

The department also requests continuation of the outreach revolving fund established by the 1988 Minnesota Legislature, and that federal reimbursement received from outreach program expenditures be deposited to that account. Expenditure of the \$150,000 requested will result in a total of \$300,000 being available each year for outreach activities (\$150,000 will be received from 50% federal financial participation).

RATIONALE:

Food shelves throughout Minnesota are straining to meet the needs of persons who, except for access to the program, might be eligible for FS. Elderly and single-parent households with children tend to be the heaviest users of food shelves. Fully 1/2 of the people using food shelves did not participate in the FS program because they did not believe they were eligible. Such barriers to participation can be reduced or eliminated through the use of outreach to help people understand and complete the application process.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	<u>(Dollars in Thousands)</u>	
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>
General Fund Expenditures	\$ 150	\$ 150

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: ASSISTANCE PAYMENTS ADMINISTRATION
 PROGRAM: FAMILY SUPPORT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: ELIGIBILITY VERIFICATION INVESTIGATIONS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 100	-0-	\$ 118	-0-
General Fund (AFDC Grants)	(204)		(204)	

Governor's Recommendation

General Fund	\$ 100	-0-	\$ 118	-0-
General Fund (AFDC Grants)	(204)		(204)	

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to pilot eligibility verification investigations at the point in time an application is taken. The Aid to Families with Dependent Children (AFDC) and the Food Stamp program will be the focus of the eligibility verification investigations.

DESCRIPTION/BACKGROUND:

Eligibility verification investigations are increasingly used as a means of preventing mispayments. This type of investigation is focused on greater program integrity with accompanying cost avoidance only in situations where there is a reasonable basis to suspect either ineligibility or eligibility at a reduced grant level. Questionable situations would be resolved early in the process and mispayment may be avoided. Where eligibility is established, the case would be processed routinely without resort to the criminal justice system. Investigations are currently permissible and are governed by existing constitutional limitations. This request provides necessary financial incentives to make such investigations cost effective.

Requests for Proposals would be sought from a minimum of 4 interested counties. It will qualify for federal financial participation at the 75% level. This appropriation covers the non-federal share of costs. Also covered on the same basis are department costs involved in monitoring and assessing the value of the effort. This initiative is a pilot project which would continue through the biennium. Projected statistics are based on data generated by states such as Florida and Wisconsin which have initiated eligibility verification investigation programs. Based on their experience, it is believed that this initiative will sufficiently enhance program integrity so its expansion to all 87 counties during the 1992-1993 biennium will be justified.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Investigations	-0-	-0-	1,200	1,200
Grant Denials	-0-	-0-	400	400
Grant Reductions	-0-	-0-	100	100
Savings (state and federal funds)				
AFDC (000's)	-0-	-0-	\$ 480	\$ 480
Food Stamps (000's)	-0-	-0-	\$ 180	\$ 180

RATIONALE:

This request is necessary to establish eligibility verification investigations on a pilot basis which will direct fraud efforts toward prevention and cost avoidance and away from criminal sanctions as the only control mechanism.

BASE: None.

LONG RANGE IMPLICATIONS:

Will depend upon outcome of pilot.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

ACTIVITY: QUALITY CONTROL/CORRECTIVE ACTION 1990-91 Biennial Budget
Program: FAMILY SUPPORT
Agency: HUMAN SERVICES, DEPARTMENT OF

ACTIVITY OBJECTIVE: To meet federal quality control requirements for the Aid to Families with Dependent Children (AFDC), Medical Assistance (MA), and Food Stamps (FS) programs; to reduce state-determined payment error rates in the AFDC, MA, and FS programs through the development and implementation of corrective management tools and activities; to minimize the state's sanction liability; and to manage federally mandated computer match systems which verify client information.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
State Determined Error Rate				
AFDC	3.0%	2.8%	2.8%	2.8%
MA	1.0%	1.5%	1.5%	1.0%
Food Stamps	8.6%	8.5%	8.2%	8.5%

The current federal tolerance levels are: AFDC 3.0%; MA 3.0%; Food Stamps the lowest preceding national average plus 1% (11.27% for F.F.Y. 1987). These levels may change as a result of pending congressional action. Federally determined error rates on which the sanction determination is made are unpredictable since they are based on an adjustment to the state error rate after a federal review of a limited number of state cases.

ACTIVITY DESCRIPTION: This activity performs the following functions necessary for cost containment: conducts federally mandated quality control reviews on a statewide random sample of AFDC, MA, and FS cases; determines causes of errors; and proposes changes to reduce errors and improve administration. This activity also manages 6 different computer matches to detect unreported income and assets of AFDC, MA, and Food Stamp clients and a system to verify client alien status with the Immigration and Naturalization Service.

Federal law requires the federal Departments of Health and Human Services and Agriculture to impose fiscal sanctions on states which do not achieve specified error rates. Seven corrective action plans are written each year which identify state initiatives to reduce errors and control or reduce sanctions.

Forecasts indicate that we are in a period of considerable risk of sanctions due to the unpredictable effect of policy differences, statistical variations, and numerous complex program changes. Sanctions are also more likely because federal tolerance standards have decreased to unrealistic levels. Actual imposition of sanctions will be affected by appeals, litigation and the congressionally mandated national study of the quality control system and any subsequent congressional legislation.

ACCOMPLISHMENTS AND GOALS:

Aid to Families with Dependent Children:

Minnesota has an excellent record of performance, with error rates consistently among the lowest in the nation. In 1988, Minnesota received the "State Recognition for Excellence in Program Management" Award from the federal Family Support Administration for consistently low error rates. Current initiatives to automate AFDC will help maintain Minnesota's accomplishments.

The federal government, however, has expanded the areas included in the error rate. Due to the federal procedures used, it is unrealistic to expect even states with Minnesota's record to consistently achieve the 3% target and avoid sanctions. The federal sanction system has come under severe criticism and has been vigorously challenged in recent years. State Human Services commissioners and Quality Control (QC) Directors have called for a major overhaul of the QC system, emphasizing management information and providing a more rational basis for sanctions. The congressionally mandated studies are now completed and there is congressional legislation pending which addresses some of the state's concerns for AFDC Quality Control.

Medical Assistance:

Minnesota's reported error rate in this program has historically been less than 2%. The federal Health Care Financing Administration (HCFA) has disagreed with a number of policies in Minnesota's program. HCFA has forced compliance on these issues, regardless of Minnesota Statutes, by citing quality control errors and inflating the state's error rate. Minnesota was notified of a Medical Assistance sanction of \$2.1 million for F.F.Y. 1985 and is at risk of substantially higher sanctions in subsequent periods if these issues are not resolved. Currently there is a congressional moratorium on adverse compliance actions against states because of these issues. However, HCFA's interpretation of the moratorium does not agree with the state's in all cases. The department is currently negotiating with HCFA on this matter. Sanctions may be adjusted as a result of these negotiations.

Food Stamps:

The federally determined error rate has declined by almost 4 percentage points from federal fiscal year (F.F.Y.) 1984 to F.F.Y. 1987, the most recent year reported by the federal agency. However, Minnesota's FS error rate was above the federal tolerance level until F.F.Y. 1987. The F.F.Y. 1986 and 1987 error rates have been recalculated based on recent QC reform legislation. This results in significantly reduced sanctions.

The department has initiated several projects to reduce errors, but the most successful solution will be corrective measures based on and integrated into the automated eligibility system that was authorized by the Legislature. Extensive technical assistance is provided to local agencies, but success is dependent on local agencies taking actions and committing resources necessary to control the rate of agency error.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Quality Control (QC) Reviews for AFDC	2,300	2,500	2,500	2,500
QC Reviews for MA	3,550	3,750	3,750	3,750
QC Reviews for FS	2,050	3,200	3,200	3,200
MA claims processing review	5,500	5,500	5,500	5,500
MA third party liability reviews	3,500	3,500	3,350	3,350
Second Party Case Reviews	525	525	525	525
Sanction waiver requests completed	1	2	3	2
Major county technical assistance projects	5	5	5	5
Annual number of computer inquiries on client information	5,825,000	6,166,000	6,406,900	6,662,700

ACTIVITY: QUALITY CONTROL/CORRECTIVE ACTION 1990-91 Biennial Budget
(Continuation)
Program: FAMILY SUPPORT
Agency: HUMAN SERVICES, DEPARTMENT OF

FEDERAL ISSUES:

Low error rates will be maintained in AFDC and reductions in error rates will be achieved in the FS and MA programs. However, major changes in federal policies and assessment procedures make future state error rates and the state's sanction liability difficult to predict. State statute provides for distributing 50% of these sanctions to counties based on the proportion of county expenditures in the sanctioned program. Federal agencies continue to review and monitor compliance in the computer match area. It is essential that the state implement and maintain these mandatory program activities to avoid federal disallowances.

REVENUE:

This activity earns federal administrative reimbursement at the rate of 50% of expenditures. These reimbursements are deposited into the general fund.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested to accomplish the goals of this activity except as detailed on the following change page.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : FAMILY SUPPORT
BUDGET ACTIVITY : QUALITY CONTROL/CORRECTIVE ACTION

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	1,322	1,503	2,243	0	2,243	2,243	2,243	0	2,243	2,243
EXPENSES/CONTRACTUAL SRVCS	8	35	283	0	283	283	283	0	283	283
MISC OPERATING EXPENSES	93	86	229	0	229	229	229	0	229	229
SUPPLIES/MATERIALS/PARTS	5	10	20	0	20	20	20	0	20	20
CAPITAL EQUIPMENT	6	31	61	0	61	61	61	0	61	61
STATE OPERATIONS	1,434	1,665	2,836	0	2,836	2,836	2,836	0	2,836	2,836
LOCAL ASSISTANCE	0	0	0	2,350	2,350	0	0	435	435	0
TOTAL EXPENDITURES	1,434	1,665	2,836	2,350	5,186	2,836	2,836	435	3,271	2,836
CHANGE REQUESTS:										
	FUND									
B FOOD STAMP AND AFDC SANCTION	GEN									
				2,350		0		435		0
TOTAL CHANGE REQUESTS				2,350		0		435		0
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,407	1,627	2,836	2,350	5,186	2,836	2,836	435	3,271	2,836
STATUTORY APPROPRIATIONS:										
AGENCY	27	38	0	0	0	0	0	0	0	0
TOTAL FINANCING	1,434	1,665	2,836	2,350	5,186	2,836	2,836	435	3,271	2,836
POSITIONS BY FUND:										
GENERAL	39.3	64.5	64.5	0.0	64.5	64.5	64.5	0.0	64.5	64.5
TOTAL POSITIONS	39.3	64.5	64.5	0.0	64.5	64.5	64.5	0.0	64.5	64.5

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: QUALITY CONTROL
 PROGRAM: FAMILY SUPPORT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: FOOD STAMP AND AFDC SANCTIONS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$2,350	-0-	\$ 435	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to pay fiscal sanctions in the Food Stamp and Aid to Families With Dependent Children (AFDC) programs which are payable in each year of the biennium.

DESCRIPTION/BACKGROUND:

Minnesota has been notified of sanctions by the federal government because of quality control errors that have exceeded federal targets. These sanctions are expected to be imposed during the biennium. Approximately 48 other states are facing sanctions in each program along with Minnesota.

STATISTICS:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Food Stamp Quality Control (50%)	\$ -0-	\$ -0-	\$ 2,350	\$ 135
AFDC Quality Control (50%)	-0-	-0-	-0-	300
Total			2,350	435

*Counties pay the other 50%.

RATIONALE:

Food Stamps

Despite a reduction in the Food Stamp error rate of almost two-thirds since federal fiscal year (F.F.Y.) 1984, Food Stamp error rates remained above the federal tolerance level until F.F.Y. 1987. The state has been notified of sanction amounts for the years listed:

F.F.Y. 1984: \$1.5 million
 F.F.Y. 1985: \$3.2 million

F.F.Y. 1986: \$270,000

The sanction for F.F.Y. 1986 was re-evaluated on the basis of some recently passed congressional QC reform legislation.

AFDC

AFDC errors in Minnesota have historically been the lowest in the nation. In F.F.Y. 1981, 2 paperwork errors cited by the federal government caused the error rate to exceed the federal target and causing a \$600,000 sanction. The federal government has also notified the state that in F.F.Y. 1986 because of a key punch error the QC error rate will exceed the 3% tolerance level by .04%. The fiscal sanction for this year will be less than \$100,000, but is not expected to be payable in the biennium due to the length of the appeals process.

The appeals process for all sanctions begins with a waiver request to the federal agency, progresses to the Grant Appeals Board of the respective agency and finally moves to the judicial system. The department expects to exhaust the appeals process for the F.F.Y. 1981 AFDC sanction and the F.F.Y. 1984, 1985, and 1986 Food Stamp sanctions during the 1990-91 biennium. By statute, the counties and the state share equally in the sanction amounts.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 1,300	\$ 1,300

GOVERNOR'S RECOMMENDATION:

After review of this activity, the Governor recommends that no funds be appropriated for federal sanctions at this time. When all appeals are exhausted and the state is finally assessed, funding through the general contingent account or other sources will be considered.

ACTIVITY: EMPLOYMENT AND TRAINING
Program: FAMILY SUPPORT
Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE: To supervise, in cooperation with the Department of Jobs and Training (DJT), employment and training programs to move public assistance recipients into self-sufficiency, and to provide information and assistance to agencies and individuals about these programs. Programs include PATHS, Food Stamp Employment and Training (FSET), Work Readiness (WR), Aid to Families with Dependent Children (AFDC), and General Assistance/Work Readiness (GA/WR) Grant Diversion, Supported Work, Work Incentive Program (WIN), and the Community Work Experience Programs (CWEP). The department contracts with the Department of Jobs and Training for operation of these programs.

EFFECTIVENESS MEASURES:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. of participating counties:*				
PATHS	45	87	87	87
CWEP Demonstration	7	6	6	6
AFDC Grant Diversion	17	27	27	27
Supported Work	0	15	15	15
GA/WR Grant Diversion	20	20	20	20
FSET	87	87	87	87
Work Readiness	87	87	87	87
WIN	10	10	10	10

* The number of counties participating in job search and employment activities varies due to differences in resources and local job opportunities.

ACTIVITY DESCRIPTION: This activity develops, implements, evaluates, and reports on state employment and training programs. These tasks are accomplished through cooperation with the Departments of Jobs and Training (DJT) and Education. Tasks include design of new programs; administrative rulemaking; review and analysis of federal and state laws, regulations, and proposed legislation; preparation of instructional and informational material; response to inquiries; certification of employment and training service providers; and reporting and evaluation for the WIN, FSET, Grant Diversion (GD), Community CWEP, and WR programs. This activity involves liaison primarily between DHS and DJT, but also with other state agencies involved in employment and training services. This activity develops and recommends coordination strategies between the various jobs service programs, and assists DJT in developing employment and training programs and reporting related to those programs. These functions are essential to achieving the mandates of 1987 and 1988 PATHS legislation, and to implement state and federal requirements.

ACCOMPLISHMENTS AND GOALS:

Accomplishments (joint efforts of DHS and DJT):

1. PATHS employment and training programs developed and implemented, including case management, mandatory orientation and job search, self-employment investment demonstration projects. Work incentive Housing Subsidy Program, Long-term Dependency Prevention Grants, and expansion of Grant Diversion and Supported Work Programs.
2. Statewide FSET program designed and implemented.

Goals (joint efforts of DHS and DJT):

1. Modification of local PATHS implementation plans to improve services, coordinate service provision, and efficiently use program funds.
2. Plan for the expansion of FSET to provide services to a greater number of clients and meet federal participation requirements.
3. Monitor and evaluate the provision of PATHS and other employment and training services at the local level.
4. Recertification of employment and training service providers statewide.

ACTIVITY STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
New WIN Registrants	8,800	8,900	9,000	9,100
Total WIN Registrants	9,142	9,250	9,400	9,500
CWEP Participants	200	200	200	200
AFDC Grant Diversion Participants	4	397	400	400
FSET Participants	19,306	28,460	28,460	28,460
Work Readiness Participants	69,000	69,000	69,000	69,000
PATHS participants	7,000	15,450	15,500	15,500

LEGISLATIVE ISSUES: The department will propose legislation to:

1. Increase funding levels in PATHS for case management and employment and training services to maintain current service levels.
2. Provide funding to complete the Self-employment Investment Demonstration project.
3. Increase funding to expand the Food Stamp Employment and Training Program to meet federal requirements.

FEDERAL ISSUES: Federal legislation is under consideration which would substantially modify AFDC and related work and training programs, and would, if passed, substantially impact this activity.

RECENT BUDGET HISTORY: Welfare reform studies and development of the PATHS programs by the 1987 and 1988 legislatures created a great deal of local and state level attention on ways to help public assistance recipients become self-sufficient. This generates new approaches to welfare reform, such as the Family Investment Plan, and pressure for improving funding for PATHS, Work Readiness and Food Stamp Employment and Training programs.

REVENUE: This activity earns federal administrative reimbursement for certain activities, i.e., WIN, at a rate of 90% of expenditures. These reimbursements are deposited into the state general fund.

EXPLANATION OF BUDGET REQUEST: The BASE level of funding is requested to accomplish the goals of this activity except as detailed on the following change pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : FAMILY SUPPORT
BUDGET ACTIVITY : EMPLOYMENT AND TRAINING

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	94	119	113	33	146	146	113	33	146	146
EXPENSES/CONTRACTUAL SRVCS	523	25	22	1	23	23	22	1	23	23
MISC OPERATING EXPENSES	21	7	6	1	7	7	6	1	7	7
SUPPLIES/MATERIALS/PARTS	1	5	0	4	4	4	0	4	4	4
CAPITAL EQUIPMENT	31	0	0	0	0	0	0	0	0	0
REDISTRIBUTIONS	196	88	448	0	448	448	448	0	448	448
STATE OPERATIONS	866	244	589	39	628	628	589	39	628	628
AIDS TO INDIVIDUALS	0	174	137	<137>	0	0	137	<137>	0	0
LOCAL ASSISTANCE	4,850	15,965	11,410	7,259	18,669	16,771	11,410	6,759	18,169	15,687
TOTAL EXPENDITURES	5,716	16,383	12,136	7,161	19,297	17,399	12,136	6,661	18,797	16,315
CHANGE REQUESTS: FUND										
B FSET PROGRAM EXPANSION					1,500	1,500		1,500		1,500
B INCREASE FUNDING FOR PATHS CM AND E & T					5,000	3,402		5,000		2,818
B CONTINUED FUNDING OF SEID PROJECTS					500	500		0		0
B INCREASE WORK READINESS SERVICES FUNDING					300	0		300		0
B WORK INCENTIVE SUB HOUSING - ELIM					<139>	<139>		<139>		<139>
TOTAL CHANGE REQUESTS					7,161	5,263		6,661		4,179
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	5,301	15,869	11,627	7,161	18,788	16,890	11,627	6,661	18,288	15,806
STATUTORY APPROPRIATIONS:										
FEDERAL	368	509	509	0	509	509	509	0	509	509
AGENCY	47	5	0	0	0	0	0	0	0	0
TOTAL FINANCING	5,716	16,383	12,136	7,161	19,297	17,399	12,136	6,661	18,797	16,315

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : FAMILY SUPPORT
BUDGET ACTIVITY : EMPLOYMENT AND TRAINING

SOURCES OF FINANCING:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
GENERAL	1.0	1.0	1.0	1.0	2.0	2.0	1.0	1.0	2.0	2.0
FEDERAL	4.0	4.0	4.0	0.0	4.0	4.0	4.0	0.0	4.0	4.0
TOTAL POSITIONS	5.0	5.0	5.0	1.0	6.0	6.0	5.0	1.0	6.0	6.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: EMPLOYMENT AND TRAINING
 PROGRAM: FAMILY SUPPORT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: FOOD STAMP EMPLOYMENT AND TRAINING PROGRAM EXPANSION

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
General Fund	\$1,500	1.0	\$1,500	1.0
Governor's Recommendation				
General Fund	\$1,500	1.0	\$1,500	1.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and position to achieve an increase in the Food Stamp Employment and Training (FSET) base funding level to meet federal program requirements, and better coordinate the program. This request is part of the department's welfare reform initiative.

DESCRIPTION/BACKGROUND:

To be eligible for Food Stamps, certain recipients must register for and participate in FSET. Program activities offered through FSET include employability development planning, job search skills training, and job search.

The Food and Nutrition Service (FNS) of the U.S. Department of Agriculture sets standards for the number of Food Stamp recipients who must participate in FSET. For federal fiscal year 1990, Minnesota has been informed that 65% of all work registrants in the Food Stamp case load must participate in FSET. At the present time, nearly 38% of work registrants participate. This means an increase of 12,000 new participants annually. This requires that Minnesota expand services to Food Stamp recipients who do not receive other public assistance (non-PA recipients).

In addition, this request allows for one full-time staff position to coordinate the expanded FSET program. State funds expended on FSET will be matched by 50% federal financial participation.

RATIONALE:

This request is necessary to meet federal program requirements and to provide effective management and coordination of the program.

BASE: None.

LONG RANGE IMPLICATIONS:

General Fund Expenditures

(Dollars in Thousands)
 F.Y. 1992 F.Y. 1993

\$ 1,500 \$ 1,500

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. This request will generate \$42,000 for the biennium, which will be non-dedicated receipts to the General Fund.

CHANGE REQUEST _____ Agency _____ Program X Activity **1990-91 Biennial Budget**

ACTIVITY: EMPLOYMENT AND TRAINING
 PROGRAM: FAMILY SUPPORT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: INCREASE THE BASE LEVEL FUNDING FOR PATHS CASE MANAGEMENT AND EMPLOYMENT AND TRAINING SERVICES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$5,000	-0-	\$5,000	-0-
Governor's Recommendation				
General Fund	\$3,402	-0-	\$2,818	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to increase the base level funding of PATHS case management and employment and training services to maintain the current level of PATHS services statewide and maximize available federal reimbursements for PATHS services. The department requests annually the amount of funds which it anticipates will be spent in F.Y. 1989. This request is part of the department's welfare reform initiative.

DESCRIPTION/BACKGROUND:

Although the Legislature funded PATHS services for the 1988/1989 biennium, PATHS programs did not begin in most counties until 7-1-88. Because the F.Y. 1988 appropriation carried over to F.Y. 1989, counties developed a level of programs and services which will fully spend the biennial appropriation in one year. As a result, the base level funding for case management, employment and training services, data processing costs, and administration of special grant projects, should be increased to reflect actual program operations and to prevent a drastic reduction in PATHS program operations. Counties and service providers report that it is important to continue this level of service.

RATIONALE:

The department anticipates that over 10,000 persons will be served through PATHS during the 1988-1989 biennium (7,000 recipients will be served through case management and/or services funded through the employment and training grant; 3,500 families will be served by special projects to reduce AFDC dependency; and approximately 400 recipients will be served by grant diversion). The great majority of these persons will begin services during F.Y. 1989. The number of persons in such services will increase each year and the proposed modest increase in PATHS funding will respond to this demand for more services.

Services to these persons often will over-lap fiscal years, and may take 2 or more years to complete. Recipients who started PATHS in F.Y. 1989 will require continued services during the 1990-1991 biennium (and beyond). If funding is maintained at the F.Y. 1989 base level, nearly 50% of all such recipients (approximately 5,000 persons) will be terminated from services. This will result in failed self-sufficiency plans, recipient frustration, and a loss of the investment to provide services received to that time.

In order to prevent termination of services and to maintain the current level of effort in assisting AFDC recipients to become self-sufficient, the department requests this additional funding.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 4,900	\$ 7,100	\$ 7,100	\$ 7,100

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 5,000	\$ 5,000

GOVERNOR'S RECOMMENDATION:

After review of this activity, the Governor recommends funding of \$6,220,000 for the biennium. As a result of the federal Family Support Act of 1988, this activity will earn federal receipts. These federal receipts will be dedicated to the PATHS program. This dedication of receipts will provide at least \$2 million in additional funding over the F.Y. 1989 level of effort. These funds are for training PATHS service providers and for additional program funds serving more AFDC priority recipients. Federal program regulations are expected in April, 1989 and federal receipts should be available in October, 1989. The state can earn up to a 60% match, which is projected to equal or exceed current BASE General Fund expenditures. A more accurate estimate of federal receipts will be available in April.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: EMPLOYMENT AND TRAINING
 PROGRAM: FAMILY SUPPORT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: CONTINUED FUNDING FOR SELF-EMPLOYMENT INVESTMENT DEMONSTRATION PROJECTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 500	-0-	\$ -0-	-0-
Governor's Recommendation				
General Fund	\$ 500	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to continue the Self-Employment Investment Demonstration Projects (SEID). This proposal is part of the department's welfare reform initiative.

DESCRIPTION/BACKGROUND:

Minnesota is the lead state among 5 states nationally involved in a 4 year self-employment demonstration project. The Legislature provided funding for the 1988-1989 biennium for this innovative program for Aid to Families with Dependent Children (AFDC) recipients. The program is designed to assist selected AFDC clients to become self-employed, and is projected to produce approximately 125 businesses. The program provides business training, seed capital financing, and technical assistance.

RATIONALE:

This program is an innovative approach to preventing AFDC dependency and improving self-sufficiency. The program began operating in April 1988. When the Legislature meets in 1989, the program will not have been in operation long enough to determine success or failure. Continued funding will permit the state to operate the project throughout the 4 years of the national demonstration timeline. The department requests the full amount during the first year of the biennium, and requests that the unspent amount from the first year not cancel but carry forward to the second year. This will permit maximum flexibility in implementing and funding projects.

(Dollars in Thousands)

BASE:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 500	\$ -0-	\$ -0-	\$ -0-

LONG RANGE IMPLICATIONS: None.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: EMPLOYMENT AND TRAINING
 PROGRAM: FAMILY SUPPORT PROGRAMS
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: REDUCTION OF PATHS EMPLOYMENT AND TRAINING BASE LEVEL FUNDING RESULTING FROM TERMINATION OF THE WORK INCENTIVE HOUSING SUBSIDY PROGRAM

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$(139)	-0-	\$(139)	-0-
Governor's Recommendation				
General Fund	\$(139)	-0-	\$(139)	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department proposes a reduction in the base level funding for PATHS employment and training expenditures as a result of ending the Work Incentive Housing Subsidy (WIHS) Program.

DESCRIPTION/BACKGROUND:

M.S. Sec. 256.736 requires that housing subsidy payments (\$100 per month for 12 months) be provided to specific target groups of AFDC recipients who have secured employment. Although the objective of creating an incentive for AFDC recipients to become self-sufficient is laudable, available funding permits subsidy payments to no more than 95 clients per year. Because of the extremely low number of clients to be served, administrative costs of operating the program are excessive.

Program operators have been required to assign 1.0 full-time staff person to WIHS operations since the program's inception. Equal access concerns expressed by advocates have forced program operators to inform the entire AFDC caseload (over 54,000 cases) of the program, even though less than 100 could be served. This has resulted in client confusion and frustration, reduced subsidy payments to participants, and difficulty in targeting program services. Administrative costs have also been escalated by the need to adopt administrative rules governing program operations. Finally, the WIHS program provides services which are very similar to housing subsidy programs operated by Project Self-Sufficiency and related community projects.

RATIONALE:

Because of the difficulties identified above, and due to the need to properly fund other PATHS self-sufficiency services, the department proposes to terminate WIHS program operations effective 6-30-88. This will result in a

reduction of the base level funding for PATHS employment and training services of \$139,000 annually.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 75	\$ 139	\$ -0-	\$ -0-

LONG RANGE IMPLICATIONS: None.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: EMPLOYMENT AND TRAINING
 PROGRAM: FAMILY SUPPORT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: INCREASE WORK READINESS SERVICES FUNDING

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 300	-0-	\$ 300	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 256D.051

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds for Work Readiness (WR) administration and services to prevent funding shortfalls; and seeks authority to establish a county allocation funding mechanism for WR administration and services. This request is part of the department's welfare reform initiative.

DESCRIPTION/BACKGROUND:

County human service agencies faced a WR funding shortfall during the 1986-1987 and 1988-1989 bienniums. The Legislature appropriated \$1.9 million to cover the 1986-1987 deficit, and is now confronted with the need to provide \$1.6 million for the 1988-1989 deficit. County agencies and employment and training providers find it exceedingly difficult to operate without the assurance of sufficient funding to cover program expenses.

In addition, federal financial participation is received for food stamp recipients who participate in WR services. Such federal reimbursement currently is deposited to the general fund. The process of claiming federal reimbursement for food stamp recipients who are in the WR program is cumbersome. These reimbursements will increase if they are used to directly fund the WR program because counties and employment and training providers will have greater incentive to vigorously pursue them.

RATIONALE:

To assure county agencies of adequate WR funding, the department requests an increase in the WR base funding level of \$800,000 annually. This increase will assure that county agencies are able to maintain the current level of effort in WR, and should reduce or eliminate the possibility of a funding shortfall in future years.

The department also seeks authority to establish a county allocation funding mechanism for WR administration and services to better assure that another

funding shortfall does not occur. This method would allocate funding annually to county agencies based upon legislative appropriations, and would assure that county agencies are informed of the amount of funds available at the outset of the year. This will improve planning and provide a clear signal that county agencies must operate their WR program within the limitations of available resources. Creation of a county allocation funding mechanism will require modification of M.S., sec. 256D.051.

The department proposes to dedicate federal financial participation (received for food stamp clients who participate in WR services) to continued operation of the WR program rather than to have it go to the general fund. Federal reimbursement is estimated to be \$500,000 annually. Use of this federal reimbursement for program operations will result in a reduction of \$500,000 in state appropriations for WR annually.

The requested \$300,000 represents the difference between the proposed \$800,000 annual increase in WR base funding and the projected \$500,000 in annual federal reimbursements for food stamp clients who participate in WR services.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 300	\$ 300

GOVERNOR'S RECOMMENDATION:

The Governor recommends an increase in the BASE funding of Work Readiness Services by dedicating the federal receipts earned in this program back to counties. This dedication is projected to equal at least \$1,000,000 in new county revenues for the biennium.

ACTIVITY: REFUGEE AND IMMIGRANT ASSISTANCE **1990-91 Biennial Budget**
Program: FAMILY SUPPORT
Agency: HUMAN SERVICES, DEPARTMENT OF

ACTIVITY OBJECTIVE:

To manage the statewide planning and administration of specialized social services and cash and Medical Assistance (MA) for refugees to promote the effective resettlement and economic self sufficiency of refugee individuals and communities; and implement the Immigration Reform and Control Act to receive State Legalization Impact Assistance Grants from the federal government.

EFFECTIVENESS MEASURES:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number Participating in Refugee Services	7,716	7,716	8,816	8,816
Employment Outcomes:				
Job Placements	1,288	1,288	1,388	1,388
90 Day Job Retention Rate	84%	85%	85%	85%
Average Salary	\$ 4.45	\$ 4.45	\$ 5.00	\$ 5.00
English Language Training Outcomes:				
Number of participants	1,810	1,850	1,875	1,875
Instructional levels completed	4,195	4,370	4,400	4,400
(Each refugee completed more than two levels during the fiscal year)				
Social Adjustment Outcomes:				
Number of refugees served:	2,075	2,075	2,575	2,575

ACTIVITY DESCRIPTION:

This activity performs the following functions on behalf of refugees and certain categories of immigrants: administers cash and MA for refugees in their first 24 months in the U.S.; contracts for special refugee services with over 45 public and private agencies; monitors programs and services at the county and vendor level; develops new resources; develops and maintains a computerized information system to meet administrative, reporting, evaluation, and public dissemination requirements; coordinates public and private resources through various networks and forums; and assists refugee communities through the development of leaders and support of Mutual Assistance Associations (MAAs).

The Refugee Initiative is designed to augment existing program priorities with specialized funding for refugee services. The primary service priorities are social adjustments, PATHS, and youth, since portions of the population are at risk for long-term dependency, poverty, and depression.

ACCOMPLISHMENTS AND GOALS:

Social Services: Through contracts administered by the Department of Human Services (DHS), 1,288 refugees obtained employment during the past fiscal year with an average salary of \$4.45/hr.; 84% of the refugees placed in jobs during the fiscal year were still working 90 days after job placement; 1,810 refugee adults participated in English Language Training with each refugee completing more than two instructional levels during the fiscal year; and 2,075 were served in social adjustment projects.

Key State Initiative: Minnesota is one of 8 states targeted for special demonstration funding from the Office of Refugee Resettlement to increase employment and reduce public assistance use and grant size within refugee families. Under this program, Minnesota received \$500,000 in F.Y. 1987 to work with Hmong families in Ramsey County and Cambodian families in Olmsted county. The program received an additional \$500,000 in F.Y. 1988 and will be expanded to serve other refugee groups.

ACTIVITY STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Refugee Arrivals	2,659	2,700	2,700	2,700
% Refugee Adults Participating in Services	21%	23%	25%	25%
Average Monthly Cash (AFDC, GA, RCA, and EA) Assistance Recipients:				
cases	1,246	1,246	1,246	1,246
persons	3,859	3,859	3,859	3,859
Average Monthly grant cost per person	\$ 155.32	\$ 155.32	\$ 155.32	\$ 155.32
grant cost per case	\$ 481.05	\$ 481.05	\$ 481.05	\$ 481.05

FEDERAL ISSUES:

In F.Y. 1988, the federal government implemented a 38% cut in state/county administration of the Refugee Program, and reduced reimbursement for cash and MA from the first 31 to 24 months of a refugee's residence in the U.S. Increased state costs for the current biennium are \$2.1 million. The extent to which Congress will restore cuts is unknown at this time.

Additional refugees continue to arrive at the rate of approximately 2,700 per year.

RECENT BUDGET HISTORY:

Federal funds have been the source of funding for this activity since 1975. The Division has successfully obtained a variety of additional federal funding from the federal Department of Health and Human Services. However, federal cuts in the Refugee Program and emerging long term needs within this population prompt the Department to seek additional state resources targeted to this population.

EXPLANATION OF BUDGET REQUEST:

State level funding is requested to accomplish the goals of this activity as detailed on the following change pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : FAMILY SUPPORT
BUDGET ACTIVITY : REFUGEE AND IMMIGRANT ASSISTANCE

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	425	430	430	36	466	466	430	36	466	466
EXPENSES/CONTRACTUAL SRVCS	106	62	62	275	337	337	62	476	538	538
MISC OPERATING EXPENSES	22	27	27	3	30	30	27	3	30	30
SUPPLIES/MATERIALS/PARTS	8	4	4	1	5	5	4	1	5	5
CAPITAL EQUIPMENT	6	4	4	3	7	7	4	0	4	4
REDISTRIBUTIONS	231	270	270	0	270	270	270	0	270	270
STATE OPERATIONS	798	797	797	318	1,115	1,115	797	516	1,313	1,313
AIDS TO INDIVIDUALS	2,430	2,000	2,000	0	2,000	2,000	2,000	0	2,000	2,000
LOCAL ASSISTANCE	12,052	10,085	10,065	700	10,765	10,415	10,065	700	10,765	10,415
TOTAL EXPENDITURES	15,280	12,882	12,862	1,018	13,880	13,530	12,862	1,216	14,078	13,728
CHANGE REQUESTS:										
B BI-CULTURAL EMPLOYMENT SERVICE				700		350		700		350
B CHILD WELFARE FOR ASIAN YOUTH				118		118		116		116
B SOCIAL ADJUSTMENT / MENTAL HEALTH				200		200		400		400
TOTAL CHANGE REQUESTS				1,018		668		1,216		866
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	0	0	0	1,018	1,018	668	0	1,216	1,216	866
STATUTORY APPROPRIATIONS:										
FEDERAL	15,274	12,852	12,852	0	12,852	12,852	12,852	0	12,852	12,852
GIFTS AND DEPOSITS	6	30	10	0	10	10	10	0	10	10
TOTAL FINANCING	15,280	12,882	12,862	1,018	13,880	13,530	12,862	1,216	14,078	13,728
POSITIONS BY FUND:										
GENERAL	0.0	0.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0	1.0

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : FAMILY SUPPORT
BUDGET ACTIVITY : REFUGEE AND IMMIGRANT ASSISTANCE

POSITIONS BY FUND:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
FEDERAL	15.0	13.5	13.5	0.0	13.5	13.5	13.5	0.0	13.5	13.5
TOTAL POSITIONS	15.0	13.5	13.5	1.0	14.5	14.5	13.5	1.0	14.5	14.5

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: REFUGEE AND IMMIGRANT ASSISTANCE
 PROGRAM: FAMILY SUPPORT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: REFUGEE AND IMMIGRANT SOCIAL ADJUSTMENT/MENTAL HEALTH

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
General Fund	\$ 200	-0-	\$ 400	-0-
Governor's Recommendation				
General Fund	\$ 200	-0-	\$ 400	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

Department requests the above funds to enhance support to selected counties' social adjustment intervention for refugees and reduce the risks for long term mental health illness. This request is a part of the department's refugee initiative.

DESCRIPTION/BACKGROUND:

Although refugees have generally been able to meet basic needs, they are experiencing difficulties in coping with emotional problems and crises resulting from past trauma. Some counties have documented that the incidence of depression and other emotional crises are 9 times higher among refugees than the rest of society. Additionally, the number of refugees in crises is rising, according to mental health practitioners.

Currently, there are several social adjustment services which have been effective. They have been supported by federal refugee funds, federal block grants (administrative) and county funds. These services have included culturally appropriate diagnosis, assessment, intervention, treatment and follow-up. In many instances, bi-cultural workers and "same-culture" helpers within the refugee communities have been involved in intervention and follow-up. Since the majority of refugees in Minnesota are from Southeast Asia, special attention to non-western treatment has been necessary.

Due to federal funding requirements and an increasing number of refugees who are experiencing depression and other emotional crises, the current social adjustment services are becoming less adequate.

RATIONALE:

Refugees who are unable to deal with emotional crises are not chronically and persistently mentally ill. Hence, they do not qualify for mandatory mental health services and reimbursement and their need for social adjustment

services will not be adequately addressed in spite of the expansion of services within the Department's Mental Health Initiative. By providing the requested social adjustment services refugees are unlikely to become chronically mentally ill. This will help reduce the long term negative impact on their families.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	<u>(Dollars in Thousands)</u>	
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>
General Fund Expenditures	\$ 400	\$ 400

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: REFUGEE AND IMMIGRANT ASSISTANCE
 PROGRAM: FAMILY SUPPORT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: BI-CULTURAL EMPLOYMENT SERVICE CASE MANAGERS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 700	-0-	\$ 700	-0-
Governor's Recommendation				
General Fund	\$ 350	-0-	\$ 350	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to provide bilingual/bicultural case managers to PATHS eligible refugees. Counties are not adequately equipped to assist eligible refugees through PATHS case management due to linguistic and cultural barriers. This program would provide additional resources to counties to boost the response to refugee clientele. This request is part of the department's refugee initiative.

DESCRIPTION/BACKGROUND:

Federal funds have supported pre-employment case managers to serve refugees who are still eligible for federal reimbursement due to being in the U.S. less than 24 months. Recent cutbacks have threatened that system. In addition, over two-thirds of the refugee population has been in the U.S. more than 24 months. Lacking federally funded case management, necessary language skills and employment history, leaves many refugees underserved in their efforts to become self-sufficient. This program would increase access to employer and training services and reduce long term state expenditures.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number of refugee adults participating in federally funded case management (time eligible in U.S. less than 24 months)	250	500	500	500
Number of refugees participating in state PATHS case management (time expired, more than 24 months in U.S.)	500	500	700	700
Total potentially eligible refugee adults (time eligible expired)	3,000	3,500	4,000	4,000

RATIONALE:

Refugees are a substantial portion of the state's AFDC Unemployed Parent caseload. The refugee population is both young and relatively healthy. Although large families make economic gains more difficult, ignoring this group because of a failure to communicate will make their long-term adjustment both difficult and costly to the state and to the refugee families themselves.

BASE: None.

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 700	\$ 700

GOVERNOR'S RECOMMENDATION:

The Governor recommends the full funding of this request by dedicating the federal receipts for direct employment services provided to refugees back to this activity.

ACTIVITY: CHILD SUPPORT ENFORCEMENT
Program: FAMILY SUPPORT
Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

To assure that absent parents having the ability to support their children actually provide for their support, thereby reducing public assistance costs and the burden on Minnesota taxpayers.

<u>EFFECTIVENESS MEASURES:</u>	National	Minn.				
	<u>F.Y. 1986</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	
Collections/cost ratios						
AFDC	\$ 1.31	\$ 1.52	\$ 1.38	\$ 1.44	\$ 1.48	
Non-AFDC	\$ 2.16	\$ 2.07	\$ 2.01	\$ 2.11	\$ 2.15	
Total	\$ 3.46	\$ 3.59	\$ 3.39	\$ 3.55	\$ 3.63	
Annual collections per child support case	\$ 334.09	\$ 700.68	\$ 697.50	\$ 699.21	\$ 686.17	
Percentage of AFDC grant payments recovered	8.6%	11.69%	12.5%	13%	13.5%	

ACTIVITY DESCRIPTION:

Child Support Enforcement locates absent parents, takes legal action to determine paternity, obtains court orders for child support, determines the ability of the absent parent to meet the support obligation, and enforces the court's order for child support. The activity has a role in the majority of Aid to Families with Dependent Children (AFDC) cases and is required to provide service to non-AFDC families upon their request.

Central office focus is on fiscal analysis, evaluation of county support enforcement programs, operation of the state parent locator service, and policy development and implementation to ensure that maximum collections are made by the local agencies in the most cost-effective manner possible.

It is anticipated that increases in demand for services by non-AFDC families will continue in this biennium. A statewide computer system for managing all aspects of the child support enforcement program will be completed and operational in July, 1989.

ACCOMPLISHMENTS AND GOALS:

Minnesota's Child Support Enforcement Program continues to maintain a very favorable collections-to-cost ratio as compared to other state-supervised, county administered programs nationally. Collections per case exceed twice the national average in spite of increased caseloads statewide. The percentage of AFDC grant expenditures recovered is significantly above the national average and continues to improve. Total collections increased 23% in F.Y. 1988 over F.Y. 1987.

Goals for the Child Support Enforcement Program are to assure that assistance in obtaining support will be available to all children for whom such assistance is requested and to reduce the taxpayer's burden of support by establishing financial responsibility and enforcing support obligations, thus benefiting children and promoting family self-sufficiency.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Total child support collections (000's)	\$ 98,719	\$ 108,250	\$ 119,367	\$ 128,856
AFDC collections	\$ 39,415	\$ 41,647	\$ 45,778	\$ 49,436
State	\$ 12,950	\$ 13,940	\$ 16,993	\$ 19,927
County	\$ 2,285	\$ 2,460	\$ 1,289	-0-
Federal	\$ 17,755	\$ 18,743	\$ 20,674	\$ 22,534
Payments to families	\$ 6,425	\$ 6,504	\$ 6,822	\$ 6,975
Foster care	\$ 213	\$ 285	\$ 324	\$ 368
Non-AFDC collections	\$ 53,841	\$ 60,753	\$ 66,988	\$ 71,967
Collections from other states	\$ 5,250	\$ 5,565	\$ 6,277	\$ 7,085
Total child support cases	141,089	155,198	170,718	187,790
AFDC	101,966	112,163	123,379	135,717
Non-AFDC	39,123	43,035	47,339	52,073
Total cases with support orders	109,279	121,915	134,107	147,517
AFDC	79,345	87,487	96,236	105,859
Non-AFDC	29,934	34,428	37,871	41,658
Cases paying	36,710	41,625	45,788	50,367
AFDC	17,390	19,247	21,172	23,289
Non-AFDC	19,320	22,378	24,616	27,078
Paternity determinations	4,372	4,503	4,638	4,777
Absent parent location completed	9,488	9,678	9,872	10,069
Absent parent location unknown	11,023	10,803	10,586	10,375
AFDC cases closed where support was received	6,656	7,322	8,054	8,859

LEGISLATIVE ISSUES:

The department is proposing legislation for:

1. State funded incentives to counties. Cost over biennium, \$2.9 million.
2. Expansion of administrative process hearings to additional counties. State savings over biennium, \$940,000. Cost, \$95,000.
3. Enactment of a rebuttable presumption of paternity based on a 95% blood test probability. Savings over biennium, \$258,000.
4. Expansion of automatic income withholding. Cost over biennium, \$200,000.

REVENUE:

This activity earns federal administrative reimbursement at the rate of 68% of expenditures. Dedicated revenues from changes for operation of the child support system are also authorized by law. This amounts to approximately \$396,000 per year. These reimbursements are deposited into the state general fund.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested to accomplish the goals of this activity except as detailed on the following change pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : FAMILY SUPPORT
BUDGET ACTIVITY : CHILD SUPPORT ENFORCEMENT

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	789	1,304	585	538	1,123	1,123	585	538	1,123	1,123
EXPENSES/CONTRACTUAL SRVCS	1,252	2,762	6,793	55	6,848	6,848	7,060	34	7,094	7,094
MISC OPERATING EXPENSES	128	200	198	17	215	215	197	14	211	211
SUPPLIES/MATERIALS/PARTS	46	363	36	3	39	39	57	3	60	60
CAPITAL EQUIPMENT	278	1,896	38	25	63	63	39	10	49	49
STATE OPERATIONS	2,493	6,525	7,650	638	8,288	8,288	7,938	599	8,537	8,537
LOCAL ASSISTANCE	70	79	0	658	658	600	0	1,998	1,998	2,000
TOTAL EXPENDITURES	2,563	6,604	7,650	1,296	8,946	8,888	7,938	2,597	10,535	10,537
CHANGE REQUESTS: FUND										
B CHILD SUPPORT INCENTIVES				658		600		1,998		2,000
B EXPANSION OF ADMINISTRATIVE PROCESS				45		45		40		40
B IMPLEMENT OF AUTOMATIC INC. WITHHOLDING				115		115		85		85
B CHILD SUPPORT ENFORCE SYSTEM ADMIN/MAINT.				413		413		413		413
B CHILD SUPPORT WORKERS COMP MATCH				65		65		61		61
TOTAL CHANGE REQUESTS				1,296		1,238		2,597		2,599
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	632	788	7,650	1,296	8,946	8,888	7,938	2,597	10,535	10,537
STATUTORY APPROPRIATIONS:										
GENERAL	366	396	0	0	0	0	0	0	0	0
SPECIAL REVENUE	1,565	5,420	0	0	0	0	0	0	0	0
TOTAL FINANCING	2,563	6,604	7,650	1,296	8,946	8,888	7,938	2,597	10,535	10,537
POSITIONS BY FUND:										

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : FAMILY SUPPORT
BUDGET ACTIVITY : CHILD SUPPORT ENFORCEMENT

POSITIONS BY FUND:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
GENERAL	12.0	12.0	15.0	16.0	31.0	31.0	15.0	16.0	31.0	31.0
SPECIAL REVENUE	3.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL POSITIONS	15.0	15.0	15.0	16.0	31.0	31.0	15.0	16.0	31.0	31.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: CHILD SUPPORT ENFORCEMENT
 PROGRAM: FAMILY SUPPORT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: CHILD SUPPORT INCENTIVES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 658	-0-	\$1,998	-0-
Governor's Recommendation				
General Fund	\$ 600	-0-	\$2,000	-0-

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 256.979, subd. 1 (1987)

STATEMENT OF REQUEST/OBJECTIVE:

This department requests the above funds to establish an incentive account to encourage counties to increase their effectiveness and efficiency in child support collections. This request is part of the department's children's initiative.

DESCRIPTION/BACKGROUND:

The 1987 Minnesota Legislature approved a state funded incentive pool to award counties for improvements in child support collections. For F.Y. 1988 and F.Y. 1989, if the state share of Aid to Families with Dependent Children (AFDC) collections exceeds a target amount, the excess will be distributed based on non-public assistance collections.

Counties also receive funds from a federal incentive account. Federal incentives are based on the state's cost effectiveness and are distributed to the counties based on their cost effectiveness. Federal incentives have not been sufficient to compensate counties for all of their non-federally reimbursed costs of operating the child support program.

An additional source of revenue which has been available to counties which will not be available after 1-1-90 is the approximate 7% of the Aid to Families With Dependent Children (AFDC) collections which had been retained by the county. Since there will no longer be a county contribution to AFDC benefit costs, all AFDC collections will be retained by the state and federal government.

The state-funded incentive account will encourage counties to improve their collections in AFDC cases and non-public assistance cases. The state funded incentives would be in addition to federal incentives. This request is for a specific appropriation in each year of the biennium to be distributed based on collections.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
AFDC Collections	\$ 39,405	\$ 41,657	\$ 45,778	\$ 49,436
Non-AFDC Collections	53,841	60,753	66,988	71,967
County share of AFDC collections	2,285	2,460	1,299	-0-

RATIONALE:

This request will permit the state to encourage counties to continue to improve their effectiveness and efficiency in child support collections which reduce AFDC costs and benefit the children of this state.

BASE: None.

LONG RANGE IMPLICATIONS:

(Dollars in Thousands)
 F.Y. 1992 F.Y. 1993

General Fund Expenditures \$ 2,000 \$ 2,000

GOVERNOR'S RECOMMENDATION:

After review of this activity, the Governor recommends an alternative funding of \$2,600,000. This request is a component of the Governor's Initiative on Children.

CHANGE REQUEST **1990-91 Biennial Budget**
 _____ Agency _____ Program X Activity

ACTIVITY: CHILD SUPPORT ENFORCEMENT
PROGRAM: FAMILY SUPPORT
AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: CHILD SUPPORT WORKER'S COMPENSATION MATCHES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 65	1.0	\$ 61	1.0
General Fund (AFDC Grants)	(\$ 256)		(\$ 256)	
Governor's Recommendation				
General Fund	\$ 65	1.0	\$ 61	1.0
General Fund (AFDC Grants)	(\$ 256)		(\$ 256)	

Request requires statutory change: _____ Yes X No

Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and position to increase child support collections through improved use of data matching and information sharing. By improving the flow of information between worker's compensation and the child support enforcement agencies, higher child support awards and increased child support collections will result. By providing information on delinquent obligors to Credit Reporting Agencies (CRA), payment of delinquent accounts will also result. This request is part of the department's children's initiative.

DESCRIPTION/BACKGROUND:

Information obtained from the Department of Labor on active and pending worker's compensation claims can provide valuable information to the child support agencies on the location, the income, and the payors of funds for absent parents. This information can then be used to establish orders for child support, or enforce orders through income withholding of Worker's Compensation benefits. A one county test which matched the worker's compensation file with those who owe child support revealed a 7% match rate.

Federal regulations require that child support agencies share information with Credit Reporting Agencies (CRA) about those persons who are delinquent in paying child support by at least \$1,000. Other states which have provided information to CRAs have discovered that some obligors would rather pay up their child support arrearage than have their credit record negatively affected.

One staff person is needed to work with the Department of Labor and with the CRAs on these data matches. This person will negotiate the necessary agreements to obtain the information, disseminate reports to the counties, answer

questions, and resolve problems with the way data is obtained and used.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Increased AFDC Collections	\$ -0-	\$ -0-	\$ 705	\$ 705
Increased Non-AFDC Collections	-0-	-0-	700	700
State Savings	-0-	-0-	256	256

RATIONALE:

This request will enable the child support enforcement program to comply with federal regulation and to improve child support collections including Aid to Families with Dependent Children collections.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	<u>(Dollars in Thousands)</u>	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 61	\$ 61

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: CHILD SUPPORT ENFORCEMENT
 PROGRAM: FAMILY SUPPORT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: EXPANSION OF ADMINISTRATIVE PROCESS FOR CHILD SUPPORT OBLIGATIONS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 45	1.0	\$ 40	1.0
General Fund (AFDC Grants)	(401)		(402)	
Governor's Recommendation				
General Fund	\$ 45	1.0	\$ 40	1.0
General Fund (AFDC Grants)	(401)		(402)	

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 518.551 subd. 10 (1987)

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and position to expand the Administrative Process pilot project currently being conducted in Dakota County. Under the Administrative Process project an administrative hearing officer, rather than a district court judge, hears child support cases. These cases are presented by child support officers instead of county attorney office staff. This process meets federal requirements for an expedited process for child support matters. This request is part of the department's children's initiative.

DESCRIPTION/BACKGROUND:

The 1987 Minnesota Legislature authorized a pilot program in Dakota County to test the concept of an expedited process using administrative hearing officers and child support officers. The effect of the pilot has been to shorten the time required to obtain an order for child support and therefore increase the possible collections. By freeing up county attorney time from issues of order establishment and enforcement more time has been spent on paternity adjudication. This has also resulted in increased collections. Additional counties may be appropriate for an expedited process, either because there are delays with the district court system or because it will save administrative costs for the child support program.

Based on the experience in Dakota County and assuming 8 counties implement an administrative process it is estimated that child support collections in Aid to Families with Dependent Children (AFDC) cases would increase by \$1.5 million annually.

(Dollars in Thousands)

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Increased AFDC Collections	\$ -0-	\$ -0-	\$ 1,500	\$ 1,500
Increased State Savings	-0-	-0-	401	402

RATIONALE:

An expedited process in 18 counties which did not meet federally required timeliness standards may be required by the Federal Office of Child Support Enforcement. Whether or not an expedited process is required, using this process in some counties would contribute to an increase in orders established and in child support collections.

BASE: None.

(Dollars in Thousands)

LONG RANGE IMPLICATIONS:	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 40	\$ 40

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. This request will generate \$57,000 for the biennium in non-dedicated receipts to the General Fund.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: CHILD SUPPORT ENFORCEMENT
 PROGRAM: FAMILY SUPPORT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: IMPLEMENTATION OF FEDERALLY REQUIRED AUTOMATIC INCOME WITHHOLDING PROVISIONS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 115	2.0	\$ 85	2.0
Governor's Recommendation				
General Fund	\$ 115	2.0	\$ 85	2.0

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 518.611, 518.613, 518.614 (1988)
 M.S. 256.979 (1987)

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to implement the federally mandated requirements for Automatic Income Withholding. The requirements are included in federally approved welfare reform legislation. This request is part of the department's children's initiative.

DESCRIPTION/BACKGROUND:

Congress has passed welfare reform legislation which includes a provision for Automatic Income Withholding for child support. In Minnesota a 5 county pilot program to test the concept of automatically withholding child support immediately at the time of the court order is currently in place.

The impact on the county child support agencies will be significant. Additional child support officers will be required as well as increased capability for receipting and accounting functions. To the extent there are additional child support cases there will be additional demands on the Child Support Enforcement System for more work stations and more processing capability.

STATISTICS:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Caseload Increase	-0-	-0-	12%	12%
County Cost Increase	\$ -0-	\$ -0-	\$ 921	\$ 1,069
County Savings	\$ -0-	\$ -0-	\$ -0-	\$ -0-

RATIONALE:

This request will enable the department to implement federally mandated provisions relating to AIW. This includes developing policy, setting up proce-

dures, providing training, informing affected persons and groups, and overseeing the implementation of the Automatic Income Withholding requirements. An annual caseload increase of 12% is estimated based on the pilot experience. The staff persons would be responsible for handling complaints and questions from this new group of obligors, obligees, and employers.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ -0-	\$ -0-	\$ 115	\$ 85

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 125*	\$ 145*	

* Under AIW the child support caseload will continue to increase at a rate of 12%. Additional staff will be needed to handle this increased caseload.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. This request will generate \$136,000 for the biennium, which will be non-dedicated receipts to the General Fund.

ACTIVITY: REPORTS AND ANALYSES **1990-91 Biennial Budget**
Program: FAMILY SUPPORT
Agency: HUMAN SERVICES, DEPARTMENT OF

ACTIVITY OBJECTIVE:

To forecast expenditures in Family Support and Medical Programs for state and federal budget purposes, to meet state and federal statistical reporting requirements for Family Support and Medical Programs, to analyze issues and options regarding these programs, and to provide information for management of the programs.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Percent forecast accuracy	96.2%	97.1%	97.0%	97.0%

ACTIVITY DESCRIPTION:

The programs affected by this activity are: Aid to Families with Dependent Children (AFDC), General Assistance (GA), Work Readiness (WR), Minnesota Supplemental Aid (MSA), Food Stamps (FS), Medical Assistance (MA), General Assistance Medical Care (GAMC), Alternative Care Grants, and the Children's Health Plan.

This activity: (1) forecasts biennial expenditures, monitors expenditures, and updates the biennial forecast periodically; (2) prepares fiscal notes on bills and analyzes the effect of changes in federal law regarding AFDC and MA; (3) produces reports on case loads, costs and trends in these programs; (4) responds to requests from the Governor, the Legislature, department staff, and the public regarding case loads, expenditures, and forecasts; and (5) analyzes long-term trends, policy options, and specific issues affecting these programs.

Reports and forecasts on AFDC and MA are required by the federal Department of Health and Human Services for continued federal funding of those programs. Reports on the FS program are required by the federal Department of Agriculture for continued participation in the program. Reporting on GA and GAMC is required by MS, sec. 256D.04.

ACCOMPLISHMENTS AND GOALS:

The major goals of this activity are: (1) at least 97% forecast accuracy in the aggregate forecast of program expenditures; and (2) satisfaction of federal reporting requirements. Forecast performance was within 0.8% points of the goal for F.Y. 1988 and is expected to reach the goal for F.Y. 1989. Federal reporting requirements were satisfied.

Office automation permitted this activity to assume additional responsibilities in FS and Refugee program reporting without additional staff.

Goals for the next biennium: 97% accuracy in the expenditure forecast for Family Support and Health Care programs; satisfy federal reporting requirements in AFDC, MA, and FS; and preparation of fiscal notes in a professional, non-partisan manner.

BASE-LEVEL REVIEW:

The forecasting of Family Support and Health Care programs has been selected for a base level review.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Major forecast statements	3	3	3	3
Fiscal notes and analyses	22	40	20	40
Policy analyses	4	4	4	4
Information requests per month	90	90	90	90
Major federal reports	12	12	12	12
Minor federal reports	58	59	60	60
Published state reports	11	12	12	12

REVENUE:

This activity earns federal administrative reimbursement at a rate of 50% for its expenditures concerning AFDC, Medical Assistance, and Food Stamps. This reimbursement amounts to approximately 35.4% of the budget for this activity.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : FAMILY SUPPORT
BUDGET ACTIVITY : REPORTS AND ANALYSES

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	581	636	608	0	608	608	608	0	608	608
EXPENSES/CONTRACTUAL SRVCS	44	95	95	0	95	95	95	0	95	95
MISC OPERATING EXPENSES	12	15	15	0	15	15	15	0	15	15
SUPPLIES/MATERIALS/PARTS	13	4	4	0	4	4	4	0	4	4
CAPITAL EQUIPMENT	14	20	20	0	20	20	20	0	20	20
TOTAL EXPENDITURES	664	770	742	0	742	742	742	0	742	742
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	664	770	742	0	742	742	742	0	742	742
TOTAL FINANCING	664	770	742	0	742	742	742	0	742	742
POSITIONS BY FUND:										
GENERAL	16.0	16.0	14.0	0.0	14.0	14.0	14.0	0.0	14.0	14.0
TOTAL POSITIONS	16.0	16.0	14.0	0.0	14.0	14.0	14.0	0.0	14.0	14.0

ACTIVITY: STATEWIDE AUTOMATED ELIGIBILITY PROJECT - MAXIS
Program: FAMILY SUPPORT
Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE: To complete development and implementation of a statewide automated system for administering and supervising the Aid to Families with Dependent Children (AFDC), Medical Assistance (MA), Food Stamp, General Assistance (GA), Work Readiness, General Assistance Medical Care, and Minnesota Supplemental Aid programs.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
% of statewide caseload within system	-0%	-0%	39%	100%

ACTIVITY DESCRIPTION: The functions to be automated include eligibility determination, benefit calculation and issuance, case management, and accounting, with the highest initial degree of automation in the AFDC and Food Stamp programs. Automation of these functions will provide a cornerstone for the state's efforts to improve client service, promote equitable access to programs throughout the state, and reduce fiscal sanctions imposed by the federal government. The system will automate routine tasks performed by local agency financial workers throughout Minnesota and will eliminate most types of errors which provoke sanctions. The system will provide administrative efficiencies which will allow faster and more coordinated client service. It will also provide a statewide database for program management, forecasting, simulation, analysis, budgeting, fiscal management, planning, and fraud control, and it will provide a basis for automated coordination across programs and organizational entities.

The projected costs to the state and its counties for program sanctions and for overpayments under the present manual method of administration significantly exceed the costs of developing and operating the system. Statewide system implementation will begin about 1-1-90. The system is expected to reach the breakeven point and begin accumulating savings for the state and counties in its second full year of operation (F.Y. 1993). In succeeding years, the net savings will be between 7 and 10 million dollars, totaling over \$71,000,000 by F.Y. 1999. Development costs are being contained by using a proven system from another state as a base and making modifications to that system as necessary to assure a fit with Minnesota's requirements.

The need for this system is clearly established. There has been a great deal of pressure from the federal Departments of Health and Human Services and Agriculture to upgrade Minnesota's present systems capabilities, and federal food stamp law now requires statewide automation.

ACCOMPLISHMENTS AND GOALS:

Accomplishments: During F.Y. 1988-1989, the requirements for the system were determined, the operating software was selected and procured, the base system was installed at InterTech and reviewed in detail, change specifications were developed, open competition for a prime contractor was held, and the prime contractor was selected and began work. About 85% of the programming and testing will have been completed by 6-30-89. Substantial efforts were invested during the biennium to ensure that the system would meet the expectations and requirements of its future users, especially eligibility workers in county agencies.

Goals: During F.Y. 1990-1991, the activities leading to full statewide operation of the system will be completed. This includes final acceptance testing of the system as a whole, piloting in one or more county offices, installation of equipment in all counties, training about 2,600 users, entry of case data, and preparation for federal certification to ensure 90% federal share for the portions of the system relating to AFDC and Medicaid eligibility. Current plans call for full statewide operation for the 7 ending months of the biennium.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of users on project committees	160	175	210	175
No. of terminals active on system	7	60	2,200	2,650
No. of users trained	10	70	2,150	2,600
No. of counties fully converted	-0-	-0-	16	87

LEGISLATIVE ISSUES: As part of the large effort to simplify complex areas of program policy, the department will introduce legislation which is related to automation of these policies. Within this legislation will also be language to amend M.S., sec. 256.014, subd. 1 (1986) to provide for full state funding of the non-federal share of MAXIS system operations and maintenance costs.

FEDERAL ISSUES: Under current law, federal agencies allow higher funding levels for system development and operating costs as an incentive for states to install statewide automated systems. These funding levels differ with various programs, so a system which integrates several programs is funded by a combination of matching rates and controls. For example, while AFDC functions are reimbursed at a rate of 90% for both development and operations, Food Stamp functions are reimbursed at 75% for development but at 50% for operations. State programs such as GA carry no federal funding match. The net result of the combination of these rates is an anticipated share of about 70% from federal funds for development and a slightly lower share for operations.

RECENT BUDGET HISTORY: The 1986 Special Session authorized the department to develop the system and authorized deposit of federal matching funds relating to expenditures for this system in the department's major systems fund (a Fund 20 revolving account). The 1987 session appropriated \$2,680,000 to serve as the state match from which to generate federal funding.

REVENUE: Funds appropriated for this activity are transferred to the department systems fund where they earn federal reimbursement at the rate of 70% for development costs. These reimbursements are dedicated to the system fund by statute.

EXPLANATION OF BUDGET REQUEST: The BASE level of funding is requested to accomplish the goals of this activity except as detailed on the following change pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : FAMILY SUPPORT
BUDGET ACTIVITY : STATEWIDE AUTOMATED ELIGIBILITY - MAXIS

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	673	2,828	1,472	987	2,459	2,459	152	426	578	578
EXPENSES/CONTRACTUAL SRVCS	589	2,739	4,714	2,319	7,033	6,329	6,110	10,469	16,579	9,780
MISC OPERATING EXPENSES	45	415	740	390	1,130	1,130	759	344	1,103	1,103
SUPPLIES/MATERIALS/PARTS	19	534	66	33	99	99	5	6	11	11
CAPITAL EQUIPMENT	18	327	1,718	932	2,650	2,650	319	46	365	365
STATE OPERATIONS	1,344	6,843	8,710	4,661	13,371	12,667	7,345	11,291	18,636	11,837
LOCAL ASSISTANCE	18	0	3,558	1,859	5,417	5,417	639	992	1,631	1,631
TOTAL EXPENDITURES	1,362	6,843	12,268	6,520	18,788	18,084	7,984	12,283	20,267	13,468
CHANGE REQUESTS:										
B MAXIS DEVELOPMENT AND IMPLEMENTATION					5,395	5,395		2,282		2,282
B MAXIS SYSTEM OPERATIONS					440	64		2,023		212
B MAXIS SYSTEM OPERATIONS					685	357		7,978		2,990
TOTAL CHANGE REQUESTS					6,520	5,816		12,283		5,484
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	0	0	0	6,520	6,520	5,816	0	12,283	12,283	5,484
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	1,362	6,843	12,268	0	12,268	12,268	7,984	0	7,984	7,984
TOTAL FINANCING	1,362	6,843	12,268	6,520	18,788	18,084	7,984	12,283	20,267	13,468
POSITIONS BY FUND:										
GENERAL	0.0	0.0	0.0	15.0	15.0	15.0	0.0	29.0	29.0	29.0
SPECIAL REVENUE	7.0	7.0	7.0	0.0	7.0	7.0	7.0	0.0	7.0	7.0
TOTAL POSITIONS	7.0	7.0	7.0	15.0	22.0	22.0	7.0	29.0	36.0	36.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: STATEWIDE AUTOMATED ELIGIBILITY PROJECT - MAXIS
 PROGRAM: FAMILY SUPPORT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: MAXIS DEVELOPMENT AND IMPLEMENTATION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$5,395	15.0	\$2,282	29.0
Governor's Recommendation				
General Fund	\$5,395	15.0	\$2,282	29.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to complete development and implementation of the MAXIS system. This request is a part of the department's information systems initiative.

DESCRIPTION/BACKGROUND:

This multi-year project was initiated in the first year of the preceding biennium. The funds and positions in this change request represent the full level of non-federal funding required to complete the MAXIS objectives of development and implementation.

The amount of funding requested represents the state dollars required to match the available federal funds, as this activity operates under a revolving appropriation (Fund 20) and therefore uses the incoming federal funds as dedicated revenues to complete its budget. The \$7,677,000 in state funds requested above will allow Minnesota to draw approximately \$18,000,000 in federal funds during the biennium for MAXIS development and implementation.

DESCRIPTION/BACKGROUND:

The majority of the personnel activities carried out during the development phase will be maintained through use of temporary project positions rather than permanent positions. However, permanent staff who understand the system will be required for ongoing operation of the system and must therefore be acquired during the development phase. These positions will replace the temporary positions on an as-needed basis over the course of the biennium, with no additional cost implications until full statewide operation is achieved. Funding is also requested for direct aid payments to counties to reimburse costs incurred by their staff as they become involved in development and in case conversion activities. This reimbursement is necessary to meet the requirements of M.S., sec. 256.014, subd. 1 (1986) which protects counties from incurring development costs.

RATIONALE:

The successful implementation of MAXIS will begin yielding substantial net savings to the state and counties within 2 years of implementation. These savings will occur from reduced federal program sanctions, elimination of duplicate payments in different jurisdictions, improved coordination with child support enforcement efforts and administrative efficiencies, including increased effectiveness of income verifications against other government data bases. Statewide equity of client access to programs is a significant value added. Federal agencies promote statewide automated system development and operation either by offering enhanced levels of matching funds for automation costs or by applying sanctions if states do not automate programs.

BASE: None.

LONG RANGE IMPLICATIONS: None.

GOVERNOR'S RECOMMENDATION:

This request has been reviewed and recommended for funding at the agency's requested level by the Information Policy Office (IPO). The Governor concurs with the IPO recommendation.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: STATEWIDE AUTOMATED ELIGIBILITY PROJECT - MAXIS
 PROGRAM: FAMILY SUPPORT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: MAXIS SYSTEM OPERATING COSTS AND PAYMENT OF NON-FEDERAL SHARE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 685	-0-	\$7,978	-0-
*General Fund - County Share	440	-0-	2,023	-0-
Governor's Recommendation				
General Fund	\$ 357	-0-	\$2,990	-0-
*General Fund - County Share	64	-0-	212	-0-

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 256.014, Subd. 1 (1986)

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to pay for operating costs of the statewide MAXIS automated eligibility information system and to implement program legislation it will propose which would remove all obligation from counties to share in MAXIS system operating costs. This request is part of the department's information systems initiative.

DESCRIPTION/BACKGROUND:

The department has requested funds (under a separate change request) to complete development and implementation of the MAXIS automated eligibility system for income maintenance programs. Full statewide implementation will be completed during F.Y. 1991, and the system will begin stable maintenance operations during the latter part of that year.

The department intends to have the MAXIS system operated by InterTech in the Department of Administration, with primary maintenance done by the Department of Human Services. The operational costs include computer usage, telecommunication charges, and staff costs.

Because operational costs are not included under the revolving appropriation (Fund 20), the funds requested above include federal, state and county shares. The federal portion of these costs will net approximately 50% during this biennium. An additional 15% will be paid to Minnesota after federal review and certification of the system early in the F.Y. 1992-93 biennium. The ongoing amount of federal participation will be about 65%.

The department will submit legislation which would remove the counties' obligation to share in operational costs and replace the county funds with state funds. Under existing state law, although development costs must be borne entirely by the state, the department must assess counties for a

portion of the operations and maintenance costs based on actual system usage. The amount of state funds needed to fully offset county usage costs are included in the amounts requested above.

RATIONALE:

The MAXIS system, once operational, will net substantial savings to Minnesota.

The shift to full state funding of the nonfederal share of operating costs for this system is consistent with increased state responsibility for management of income maintenance grant programs. The MAXIS system is a cornerstone in the department's plan to ensure increased levels of statewide equity and county monitoring. In addition, this system will be centrally managed and counties will have little or no ability as individual entities to control costs which could be imposed upon them. The department believes it is appropriate for it to be fully accountable for the cost, as well as the cost containment, of system operations.

BASE: None.

LONG RANGE IMPLICATIONS:

General Fund Expenditures

(Dollars in Thousands)
F.Y. 1992 F.Y. 1993

\$ 13,724 \$ 13,724

GOVERNOR'S RECOMMENDATION:

This request was reviewed and recommended for funding at a level of \$3,623,000 by the Information Policy Office (IPO). The IPO recommendation would allow DHS to dedicate the federal receipts earned for the operation of this system. The Governor concurs with the IPO recommendation.

ACTIVITY: AFDC GRANTS
Program: FAMILY SUPPORT
Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

To fund income assistance to low income families with minor children who are experiencing a deprivation of parental support or care.

ACTIVITY DESCRIPTION:

This activity provides grants to eligible children and families. In addition to deprivation of parental support or care, income and resources must be within the allowable limits set forth by Congress and the Minnesota Legislature. The income standards for the Aid to Families with Dependent Children (AFDC) Program vary depending on the size and composition of the family. In no event can gross countable income exceed 185% of the standard of need established by the Legislature. The AFDC Program also provides emergency assistance for families with children under age 21 who are facing destitution and who cannot resolve the crisis with available resources.

The AFDC grants are funded with approximately 53% federal funds, 40% state funds, and 7% local funds. This will change to 53% federal, 47% state and no local funds beginning 1-1-90. It provides opportunities for self-support through various employment incentives. It also provides an opportunity to strengthen family life by keeping families together.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Total expenditures (000's)	\$ 286,314	\$ 286,171	\$ 287,963	\$ 289,204
Average monthly number of recipients	162,932	163,347	166,288	168,704
Average monthly grant per recipient	\$ 146	\$ 146	\$ 144	\$ 143

LEGISLATIVE ISSUES:

Legislation is planned to request a 3% increase in AFDC grants in state F.Y. 1990 and again in F.Y. 1991. The purchasing power of AFDC grants has dropped significantly. An increase in the AFDC grants will increase AFDC caseload sizes and will also increase benefit costs to the Medical Assistance Program. An increase in AFDC grant levels will also increase grant payments to families eligible for General Assistance.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested to accomplish the goals of this activity, except as detailed on the following change pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : FAMILY SUPPORT
BUDGET ACTIVITY : AFDC GRANTS

EXPENDITURES:	F.Y. 1990						F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
LOCAL ASSISTANCE	238,443	239,293	228,397	9,703	238,100	227,083	230,096	13,683	243,779	228,642	
TOTAL EXPENDITURES	238,443	239,293	228,397	9,703	238,100	227,083	230,096	13,683	243,779	228,642	
CHANGE REQUESTS:	FUND										
B ADMIN PROCESS CHILD SUPPORT	GEN		<401>			<401>		<402>		<402>	
B CHILD SUPPORT WORKER COMP MATCH	GEN		<256>			<256>		<256>		<256>	
B ADMINISTRATIVE JUDGEMENT-IMPACT ON AFDC	GEN		<343>			<343>		<482>		<482>	
B PATERNITY ADJUDICATIONS-IMPACT ON AFDC	GEN		<110>			<110>		<110>		<110>	
B SIMPLIFY AND INCREASE AFDC GRANTS	GEN		6,143			0		10,184		0	
B ELIGIBILITY VERIFICATION INVESTIGATION	GEN		<204>			<204>		<204>		<204>	
B AFDC HOUSING SUPPLEMENT	GEN		4,874			0		4,953		0	
TOTAL CHANGE REQUESTS			9,703			<1,314>		13,683		<1,454>	
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	64,926	57,493	71,010	9,703	80,713	69,696	71,757	13,683	85,440	70,303	
STATUTORY APPROPRIATIONS:											
FEDERAL	173,517	181,800	157,387	0	157,387	157,387	158,339	0	158,339	158,339	
TOTAL FINANCING	238,443	239,293	228,397	9,703	238,100	227,083	230,096	13,683	243,779	228,642	
POSITIONS BY FUND:											
TOTAL POSITIONS											

AFDC GRANTS
FORECAST INFORMATION

This table shows total AFDC caseload, expenditures, and the amount of the Mortgage and Deed Tax offset against AFDC for FY 1988 through FY 1991.

Total AFDC Program
(Including Emergency Assistance)

<u>Fiscal Year</u>	<u>Average Recipients</u>	<u>Average Payments</u>	<u>Monthly Annual Payments</u>	<u>Monthly Federal Share</u>	<u>Total State Share*</u>	<u>County Share</u>
1986	158,277	\$150.81	\$286,438,545	\$152,247,413	\$111,463,888	\$22,727,243
1987	162,269	152.31	296,573,017	158,166,912	115,085,768	23,320,337
1988	162,932	150.81	294,870,407	158,429,645	112,765,841	23,674,921
PROJECTED						
1989	163,347	\$150.85	\$295,688,930	\$157,288,121	\$114,071,615	\$24,329,193
1990	166,288	149.61	298,533,447	157,387,285	116,010,384	25,135,779
1991	168,704	148.60	300,829,412	158,338,898	116,757,443	25,733,071

* Before crediting the Mortgage and Deed Tax offset.

97.5% of Mortgage and Deed Tax collections are offset against county AFDC expenditures. The following table shows the net cost to the state AFDC account after the offset.

	<u>State Share</u>	<u>Gross Deed Tax Offset</u>	<u>Mortgage and State Offset</u>	<u>Net State Share</u>
1986	\$111,463,888	\$34,042,949	\$77,420,939	
1987	115,085,768	46,779,056	68,306,712	
1988	112,765,841	52,203,734	60,562,107	
PROJECTED				
1989	\$114,071,615	\$45,000,000	\$69,071,615	
1990	116,010,384	45,000,000	71,010,384	
1991	116,757,443	45,000,000	71,757,443	

**AFDC GRANTS
FORECAST INFORMATION**

The following tables show AFDC caseload and expenditures by program segments.

Regular Segment						
<u>Fiscal Year</u>	<u>Monthly Average Recipients</u>	<u>Monthly Average Payments</u>	<u>Total Annual Payments</u>	<u>Federal Share</u>	<u>State Share*</u>	<u>County Share</u>
1986	124,867	\$152.34	\$228,270,122	\$121,508,186	\$90,747,646	\$16,014,290
1987	128,718	153.92	237,740,635	126,977,273	94,148,858	16,614,504
1988	130,946	150.84	237,024,546	127,614,016	92,998,951	16,411,580
PROJECTED						
1989	132,824	\$149.99	\$239,069,948	\$127,424,282	\$94,898,816	\$16,746,850
1990	135,188	147.92	239,971,318	126,752,850	96,235,697	16,982,770
1991	137,278	146.12	240,709,177	126,950,020	96,695,283	17,063,874
Unemployed Parent Segment						
1986	33,410	\$127.80	\$51,238,894	\$27,274,463	\$20,369,766	\$3,594,665
1987	33,550	129.18	52,007,259	27,777,077	20,595,655	3,634,527
1988	31,986	128.41	49,289,043	26,537,221	19,339,049	3,412,773
PROJECTED						
1989	30,523	\$128.60	\$47,101,456	\$25,105,076	\$18,696,923	\$3,299,457
1990	31,100	128.60	47,991,851	25,349,296	19,246,172	3,396,383
1991	31,426	128.60	48,494,918	25,576,220	19,480,894	3,437,805
Emergency Assistance						
1986	4,577	\$126.17	\$6,929,529	\$3,464,764	\$346,476	\$3,118,288
1987	4,528	125.61	6,825,123	3,412,561	341,256	3,071,305
1988	5,575	127.91	8,556,818	4,278,409	427,841	3,850,568
PROJECTED						
1989	6,079	\$130.47	\$9,517,526	\$4,758,763	\$475,876	\$4,282,887
1990	6,619	133.08	10,570,278	5,285,139	528,514	4,756,625
1991	7,137	135.74	11,625,317	5,812,658	581,266	5,231,392

**AFDC GRANTS
FORECAST INFORMATION**

This table shows the projected increases in AFDC under current law.

	<u>F.Y. 1990</u>	(Thousands)	<u>F.Y. 1991</u>
Projected FY 1989 State Share cost:	\$ 114,072		\$ 114,072
<u>Projected Changes Under Current Law</u>			
Decrease in federal share:	\$ 1,175		\$ 1,377
Caseload growth:	2,331		4,285
Increased IV-D collections:	(1,579)		(2,999)
Increased EA grants:	10		19
Special Needs allocation:	2		4
Projected gross State share cost for FY 1990 and FY 1991 under current law:	\$ 116,010		\$ 116,757
Gross State share cost increase over FY 1989:	\$ 1,939		\$ 2,686
Projected Mortgage and Deed Tax offset:	(\$45,000)		(\$45,000)
Projected net State share cost for FY 1990 and FY 1991 under current law:	\$ 71,010		\$ 71,757
Net State share cost increases over FY 1989:	\$ 1,939		\$ 2,686

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: AFDC GRANTS
 PROGRAM: FAMILY SUPPORT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: SIMPLIFY AND INCREASE AID TO FAMILIES WITH DEPENDENT CHILDREN GRANTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund (AFDC Grants)	\$6,143	-0-	\$10,184	-0-
General Fund (MA Grants)	591		1,424	
General Fund (GAMC Grants)	569		1,137	
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: X Yes ___ No
 Statutes Affected: M.S. sec. 256.74

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to increase Aid to Families With Dependent Children (AFDC) grants by 3% in both F.Y. 1990 and 1991, and to provide for the simplification of the AFDC payment standard structure. This request is part of the department's children's initiative.

DESCRIPTION/BACKGROUND:

The purchasing power of AFDC grants dropped by 35% between 1972 and 1988. AFDC grants have not been raised since July, 1986. To maintain even the eroded purchasing power of AFDC grants, the standard would have to be increased to prepare for the expected inflation factor of 4.9% for 1990 and 4.8% for 1991. To offset the erosion of the purchasing power of AFDC grant recipients, and to reduce the gap between the amount of money a family needs to live on and what it actually receives in AFDC benefits, the department is proposing to raise AFDC grant standards by 3% both in F.Y. 1990 and F.Y. 1991.

Increasing AFDC grants also provides an opportunity to simplify the payment standard structure. Minnesota currently has 5 standards of assistance for AFDC: a child standard, a first adult standard, a second adult standard, a special child standard, and a special adult standard. We are proposing to simplify the payment standard structure by reducing the number of standards of assistance for AFDC to a single standard based upon the size of the assistance unit. The existing structure is cumbersome for financial workers to work with and difficult for recipients and the public to understand. Simplification of the existing payment standard structure will make it easier to implement MAXIS (Minnesota's Statewide Automated Eligibility System). It will also be easier to implement comprehensive welfare reform in Minnesota if the AFDC payment structure is simplified. M. S. sec. 256.74, will be amended

to establish the standards of assistance for AFDC in law.

RATIONALE:

This request to increase AFDC grant levels is necessary to offset the erosion of the purchasing power of AFDC grant recipients, and to prepare Minnesota's AFDC program for automation and welfare reform.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures-- (State Share) (Total AFDC Grants including emergency assistance.)	\$ 60,562	\$ 69,071	\$ 71,010	\$ 71,757

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures (AFDC Grants)	\$ 9,729	\$ 8,845
(MA Grants)	1,743	1,865
(GAMC Grants)	1,137	1,137

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request.

CHANGE REQUEST _____ Agency _____ Program X Activity **1990-91 Biennial Budget**

ACTIVITY: AFDC GRANTS
 PROGRAM: FAMILY SUPPORT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: AFDC HOUSING SUPPLEMENT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$4,874	-0-	\$4,953	-0-

Governor's Recommendation

General Fund \$ -0- -0- \$ -0- -0-

Request requires statutory change: X Yes _____ No

Statutes Affected: Needs budget appropriation rider to insure sufficiency of funds.

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to provide a special needs housing supplement for AFDC families in regions of the state with high housing costs. This request is part of the department's initiative for children's services.

DESCRIPTION/BACKGROUND:

Housing is the single most significant cost item in an indigent family's budget.

This proposal would provide a supplement of \$21 to each AFDC family residing in any of the 27 counties where the average housing costs exceed the state-wide median. This is based on a recent HUD fair market rent schedule (FMR) for 1988. The supplement recognizes that there are some cost-of-living differences in specific regions of the state and will assist AFDC families in securing and maintaining decent housing.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. of Cases	N/A	N/A	40,991	41,587

RATIONALE:

Minnesota's current AFDC payment level for a family with one adult and one child already equals only 68% of the federal poverty line. Maintaining the current standards for AFDC grants will continue to erode the purchasing power for AFDC recipients which has dropped 35% between 1977 and 1988. This proposal will enable AFDC families in counties with higher housing costs to afford housing closer to that of AFDC families in the rest of the state, and to maintain that housing in the face of rising housing costs.

(Dollars in Thousands)

BASE:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ N/A	\$ N/A	\$ -0-	\$ -0-

(Dollars in Thousands)

LONG RANGE IMPLICATIONS:	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 5,038	\$ 5,052

REVENUE:

This activity earns federal reimbursement at the rate of approximately 52% into the general fund.

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding this request. Housing is often the largest and most difficult cost faced by families or AFDC. However, \$21/mo is not sufficient to significantly improve the housing of families in the highest cost counties where the HUD fair market rent for a 2 bedroom apartment is \$528/mo. In addition, for those 30% of AFDC families estimated to receive housing subsidy, the additional housing supplement would represent a double-subsidy.

The Governor does recommend addressing the issue of housing affordability by appropriating funds for that purpose in the Housing Finance Agency budget, and in the Year of the Cities initiative.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: AFDC GRANTS
 PROGRAM: FAMILY SUPPORT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: PATERNITY ADJUDICATIONS - IMPACT ON AFDC

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
General Fund	(\$ 110)	-0-	(\$ 110)	-0-
Governor's Recommendation				
General Fund	(\$ 110)	-0-	(\$ 110)	-0-

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 257.55 subd. 1 and 257.62, subd. 5

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above grant reduction due to increased effectiveness in obtaining paternity adjudications and orders for support. This request is a part of the department's children's initiative.

DESCRIPTION/BACKGROUND:

Minnesota law currently provides for a temporary order, payable to the Court Administrator, in cases where a blood test probability is 92% or greater. This temporary order is not an adjudication. This request would create, by statute, a rebuttable presumption of paternity in cases where the blood test probability is 99% or greater. Given this presumption it is estimated that more people will admit to paternity after blood tests rather than going through the legal process, up to and including a jury trial. By obtaining orders more quickly under this admission increased child support will be collected and a corresponding decrease in AFDC use will result.

County costs, including county attorney time and court costs, will be reduced.

STATISTICS:	(in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Savings				
County	-0-	-0-	\$ 430	\$ 443
State-AFDC	-0-	-0-	(110)	(110)
Federal	-0-	-0-	1,061	1,089

RATIONALE:

This request will allow the child support enforcement program to establish paternity and obtain orders more quickly, thereby reducing the need for public assistance. It will also improve child support agencies' ability to

meet federally required time frames for paternity establishment.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ (110)	\$ (110)

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: AFDC GRANTS
 PROGRAM: FAMILY SUPPORT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: REINSTATEMENT OF ADMINISTRATIVE JUDGMENT OF CHILD SUPPORT AND MAINTENANCE ARREARS - IMPACT ON AFDC

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$(343)	-0-	\$(482)	-0-
Governor's Recommendation				
General Fund	\$(343)	-0-	\$(482)	-0-

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 548.091 (1988)

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above grant reduction as a result of the ability to use administrative docketing for child support arrears which accumulated before 8-1-88. This request is a part of the department's children's initiative.

DESCRIPTION/BACKGROUND:

Federal regulation requires that state statutes relating to child support include a provision that unpaid child support becomes a judgment by operation of law. Until the 1988 legislative change, Minnesota had an administrative process for obtaining these judgments. Since the 1988 change went into effect, it has reduced the child support agencies ability to quickly and efficiently reduce child support arrears to judgment.

During the year preceeding the legislative change, a team of 3 technical staff from the DHS Office of Child Support Enforcement obtained judgments exceeding \$2,000,000 on approximately 2,000 unpaid support orders.

STATISTICS:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Savings in State AFDC Costs	\$ -0-	\$ -0-	\$ 343	\$ 482
Savings in Federal AFDC Costs	-0-	-0-	477	636

RATIONALE:

Amending this statute will enable Minnesota child support agencies to use an efficient, low cost method for obtaining child support judgments on arrears which accumulated prior to 8-1-88.

BASE: None.

LONG RANGE IMPLICATIONS:

(Dollars in Thousands)	
F.Y. 1992	F.Y. 1993
General Fund Expenditures	(\$ 482) (\$ 482)

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

ACTIVITY: GA GRANTS
Program: FAMILY SUPPORT
Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

To fund maintenance grants to individuals and families not eligible for Aid to Families with Dependent Children (AFDC), or other monthly income assistance programs.

ACTIVITY DESCRIPTION:

This activity provides General Assistance (GA) grants to meet maintenance and emergency needs of Minnesota residents whose net monthly income does not exceed grant standards, and who meet program eligibility criteria. Otherwise eligible persons must meet a category of eligibility such as illness or incapacity diagnosed as developmentally disabled or mentally ill or unable to secure suitable employment due to an inability to communicate in English.

The program is funded with 75% state and 25% local funds, up to the state standard. This will change to 100% state funds beginning 1-1-90.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Total net expenditures	\$ 53,178	\$ 55,131	\$ 56,580	\$ 58,059
Average monthly number of recipients	23,828	24,657	25,244	25,831
Average monthly grant per person	208	209	209	210

LEGISLATIVE ISSUES:

Legislation is requested to increase the GA grants by 3% in state F.Y.s 1990 and 1991. The increase is necessary to offset the increases in the consumer price index and effect of inflation. An increase in GA grants will increase case loads and benefit payments under General Assistance Medical Care (GAMC).

Additional legislation is planned that will change the functional literacy criteria for GA eligibility from the 8th grade level to the 7th grade level. This will result in a slight increase in Work Readiness (WR) cases.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested to accomplish the goals of this activity except as detailed on the following change pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : FAMILY SUPPORT
BUDGET ACTIVITY : GA GRANTS

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
LOCAL ASSISTANCE	38,756	42,147	42,595	168	42,763	41,651	43,707	1,450	45,157	42,709
TOTAL EXPENDITURES	38,756	42,147	42,595	168	42,763	41,651	43,707	1,450	45,157	42,709
CHANGE REQUESTS:	FUND									
B RESERVE BED DAYS					71	0			81	0
B GA/SSI CONVERSION PROJECT					<944>	<944>			<998>	<998>
B REDUCE GA BASE-CHANGE IN ILLITERA					<566>	0			<579>	0
B INCREASE GENERAL ASSISTANCE GRANTS					1,607	0			2,946	0
TOTAL CHANGE REQUESTS					168	<944>			1,450	<998>
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	38,756	42,147	42,595	168	42,763	41,651	43,707	1,450	45,157	42,709
TOTAL FINANCING	38,756	42,147	42,595	168	42,763	41,651	43,707	1,450	45,157	42,709
POSITIONS BY FUND:										
TOTAL POSITIONS										

**GA GRANTS
FORECAST DETAIL**

Total GA Program

This table shows total GA caseload and expenditures, including projections through FY 1991.

<u>Fiscal Year</u>	<u>Monthly Average Recipients</u>	<u>Monthly Average Payments</u>	<u>Total Gross Annual Payments</u>	<u>Total Net Annual Payments</u>	<u>State Share</u>	<u>County Share</u>
1986	24,015	\$212.17	\$61,144,072	\$54,395,342	\$40,420,365	\$13,974,977
1987	22,753	218.71	59,714,820	52,873,220	39,550,666	13,322,554
1988	23,828	208.24	59,543,873	53,178,493	40,033,582	13,144,911
PROJECTED						
1989	24,657	\$208.63	\$61,729,532	\$55,130,500	\$41,503,083	\$13,627,417
1990	25,244	209.14	63,352,909	56,580,334	42,594,540	13,985,794
1991	25,831	209.72	65,008,040	58,058,528	43,707,347	14,351,181

Gross payments equal the amount of all printed benefit checks. Net payments are obtained by adjusting gross payments for cancellations and refunds. Most cancellations are the result of checks which are held and cancelled. Refunds are provided by the federal government to the counties for GA payments made to SSI applicants prior to SSI eligibility determination.

**GA GRANTS
FORECAST DETAIL**

The following tables show GA caseload and expenditures by case type.

Single Individuals

<u>Fiscal Year</u>	<u>Monthly Average Recipients</u>	<u>Monthly Average Payments</u>	<u>Total Gross Annual Payments</u>	<u>Total Net Annual Payments</u>	<u>State Share</u>	<u>County Share</u>
1988	16,347	223.44	\$43,831,283	\$39,145,615	\$29,469,417	\$9,676,198
PROJECTED						
1989	16,912	\$223.44	\$45,345,807	\$40,498,234	\$30,487,689	\$10,010,545
1990	17,286	223.44	46,348,606	41,393,831	31,161,909	10,231,923
1991	17,659	223.44	47,348,724	42,287,034	31,834,325	10,452,709

Families with Children

1988	5,726	\$146.27	\$10,050,208	\$8,975,818	\$6,757,133	\$2,218,685
PROJECTED						
1989	6,016	\$146.27	\$10,559,524	\$9,430,686	\$7,099,564	\$2,331,121
1990	6,287	146.27	11,035,194	9,855,506	7,419,375	2,436,130
1991	6,553	146.27	11,502,088	10,272,488	7,733,286	2,539,202

Families with Adults Only

1988	590	\$130.07	\$920,924	\$822,475	\$619,172	\$203,303
PROJECTED						
1989	564	\$130.07	\$880,314	\$786,206	\$591,868	\$194,338
1990	506	130.07	789,785	705,355	531,002	174,353
1991	454	130.07	708,621	632,868	476,433	156,435

<u>Fiscal Year</u>	<u>Monthly Average Recipients</u>	<u>Monthly Average Payments</u>	<u>Total Gross Annual Payments</u>	<u>Total Net Annual Payments</u>	<u>State Share</u>	<u>County Share</u>
Negotiated Rate Facilities						
1988	1,165	\$339.16	\$4,741,458	\$4,234,585	\$3,187,860	\$1,046,725
PROJECTED						
1989	1,165	\$353.64	\$4,943,887	\$4,415,374	\$3,323,961	\$1,091,413
1990	1,165	370.48	5,179,324	4,625,642	3,482,254	1,143,388
1991	1,165	389.74	5,448,607	4,866,139	3,663,303	1,202,835

**GA GRANTS
FORECAST INFORMATION**

This table shows the projected increases in GA under current law

	<u>FY 1990</u>	(Thousands)	<u>FY 1991</u>
Projected FY 1989 State share cost:	\$41,503		\$41,503
<u>Projected Changes Under Current Law</u>			
Caseload increase:	\$ 933		\$ 1,865
Rate increase and Personal Needs Allowance increase for recipients in negotiated rate facilities:	158		339
Projected State share cost for FY 1990 and FY 1991 under current law:	\$42,595		\$43,707
State share cost increase over FY 1989:	\$ 1,091		\$ 2,204

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: GA GRANTS
 PROGRAM: FAMILY SUPPORT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: INCREASE GENERAL ASSISTANCE AND WORK READINESS GRANTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund (GA Grants)	\$1,607	-0-	\$2,946	-0-
General Fund (WR Grants)	\$ 355	-0-	\$ 358	-0-

Governor's Recommendation

General Fund \$ -0- -0- \$ -0- -0-

Request requires statutory change: X Yes _____ No

Statutes Affected: M.S., sec 256D.01

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to increase General Assistance (GA) and Work Readiness (WR) grants by 3% in each state F.Y. 1990 and 1991. The amount requested reflects an increase over and above the forecasted increase in benefit costs for F.Y. 1990 and 1991.

DESCRIPTION/BACKGROUND:

Inflation has eroded the purchasing power of GA and WR grants. Grants have not been raised since July, 1986. To offset increases in the consumer price index, and to reduce the gap between the amount of money a person needs to live on and what is actually received in assistance, the department proposes to raise the AFDC grant standard by 3% both in F.Y. 1990 and F.Y. 1991. This will result in an automatic increase in the grant standard for GA and WR of the same amount.

M. S. sec. 256D.01, will be amended to establish the standards of assistance for the GA and WR programs in law.

RATIONALE:

This request to increase GA and WR grant levels is necessary to offset the erosion of the purchasing power of GA and WR grant recipients.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures (GA Grants)	\$ 40,033	\$ 41,503	\$ 42,594	\$ 43,707
(WR Grants)	10,063	10,590	10,481	10,554

(Dollars in Thousands)

LONG RANGE IMPLICATIONS:

	F.Y. 1992	F.Y. 1993
General Fund Expenditures (GA Grants)	\$ 2,984	\$ 3,007
(WR Grants)	\$ 358	\$ 358

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Legislation ties any AFDC grant increase to increases in the GA and WR programs. Because the AFDC grant increase is not recommended, the companion increases in GA and WR are also not recommended.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: GA GRANTS
 PROGRAM: FAMILY SUPPORT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: REDUCTION OF GENERAL ASSISTANCE BASE LEVEL FUNDING DUE TO ELIGIBILITY CHANGES FOR FUNCTIONALLY ILLITERATE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	(\$ 566)	-0-	(\$ 579)	-0-
General Fund (WR Grants)	\$ 425	-0-	\$ 435	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: X Yes _No
 Statutes Affected: M.S. 256D.02

STATEMENT OF REQUEST/OBJECTIVE:

The department projects a savings in General Assistance (GA) due to a proposed change in eligibility for functionally illiterate persons. The department also projects an increase in Work Readiness (WR) costs to serve those functionally illiterate persons no longer eligible for GA. This proposal is part of the department's welfare reform initiative.

DESCRIPTION/BACKGROUND:

M.S., chapter 256D provides GA eligibility to persons who are "functionally illiterate." However, the statute does not define functionally illiterate. The department currently uses an 8th grade reading level criteria. Implementation of this proposed change would require adding a new subdivision to M.S., sec. 256D.02, to define functionally illiterate.

M.S. sec. 256.016 requires that written materials provided to public assistance recipients be understandable to a person who reads at the 7th grade level. Moreover, the federal Department of Labor requires Job Training Partnership Act (JTPA) agencies to test applicants' reading ability, and requires reporting those whose reading ability is less than the 7th grade level. Since many JTPA agencies provide GA/WR employment services, the difference in defining functional illiteracy causes confusion and inconsistency.

RATIONALE:

The department recommends defining functionally illiterate as the inability to read at or above the 7th grade level. This change will result in greater consistency among programs and laws, and will reduce confusion about who should be considered functionally illiterate. The new definition will result in a cost savings in GA because the department currently uses the 8th grade reading level for GA eligibility.

This change will result in a cost increase in WR, however, because those persons who are ineligible for GA due to the changed definition of functionally illiterate will be eligible for WR. Therefore, the department proposes to increase the WR base level funding to accommodate the expected increase in WR use.

BASE: None.

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ (582)	\$ (584)
General Fund Expenditures (WR Grants)	\$ 438	\$ 439

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request.

ACTIVITY: WORK READINESS GRANTS
Program: FAMILY SUPPORT
Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

To fund maintenance grants to individuals not eligible for General Assistance (GA), or other monthly assistance programs.

ACTIVITY DESCRIPTION:

This activity provides Work Readiness (WR) grants to meet maintenance needs to individuals who meet the financial requirements but not the categorical requirements of the GA program. Grants are limited to 6 months out of any 12 month period.

This program is funded 75% state and 25% local, up to state standards. This program will be 100% state funded beginning 1-1-90.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Total net expenditures	\$ 13,432	\$ 14,136	\$ 13,990	\$ 14,087
Average monthly number of recipients	6,526	6,906	6,835	6,882
Average monthly grant per recipients	\$ 183	\$ 183	\$ 183	\$ 183

LEGISLATIVE ISSUES:

An increase in WR grants is requested at the same levels of GA to offset effects of inflation and increases in consumer price index. This will increase caseloads and benefits paid under General Assistance Medical Care.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested to accomplish the goals of this activity.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : FAMILY SUPPORT
BUDGET ACTIVITY : WORK READINESS GRANTS

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
LOCAL ASSISTANCE	9,925	13,494	10,482	780	11,262	10,482	10,554	793	11,347	10,554
TOTAL EXPENDITURES	9,925	13,494	10,482	780	11,262	10,482	10,554	793	11,347	10,554
CHANGE REQUESTS:										
B INCR WR DUE GA FUNCTION ILLITERACY DEFIN GEN					425	0		435		0
B INCREASE WORK READINESS GRANTS GEN					355	0		358		0
TOTAL CHANGE REQUESTS					780	0		793		0
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	9,925	13,494	10,482	780	11,262	10,482	10,554	793	11,347	10,554
TOTAL FINANCING	9,925	13,494	10,482	780	11,262	10,482	10,554	793	11,347	10,554
POSITIONS BY FUND:										
TOTAL POSITIONS										

**WORK READINESS GRANTS
FORECAST INFORMATION**

This table shows total Work Readiness caseload and expenditures, including projections through FY 1991.

Total WR Program

<u>Fiscal Year</u>	<u>Monthly Average Recipients</u>	<u>Monthly Average Payments</u>	<u>Total Annual Payments</u>	<u>Federal Share</u>	<u>State Share*</u>	<u>County Share</u>
1988	6,562	\$183.21	\$14,426,737	\$13,431,608	\$10,063,128	\$3,368,480
PROJECTED						
1989	6,906	\$183.21	\$15,183,030	\$14,135,734	\$10,590,668	\$3,545,066
1990	6,835	183.21	15,026,935	13,990,405	10,481,786	3,508,619
1991	6,882	183.21	15,130,266	14,086,609	10,553,863	3,532,746

WORK READINESS GRANTS
FORECAST INFORMATION

This table show the projected increases in Work Readiness under current law.

	<u>FY 1990</u>	(Thousands)	<u>FY 1991</u>
Projected FY 1989 State share cost:	\$10,591		\$10,591
<u>Projected Changes Under Current Law</u>			
Case load decrease:	(\$109)		(\$37)
Projected State share cost for FY 1990 and FY 1991 under current law:	\$10,482		\$10,554
State share cost increase over FY 1989:	(\$109)		(\$37)

ACTIVITY: MSA GRANTS
Program: FAMILY SUPPORT
Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

To fund a monthly supplemental payment to aged, blind, or disabled persons whose income from federal Supplemental Security Income (SSI) or other sources is below state assistance standards.

ACTIVITY DESCRIPTION:

This activity provides grants to persons who are aged, blind, or disabled if their net income is below the state standard and they meet established eligibility limits.

1. Aged means persons over 65 years of age.
2. Disabled means persons under 65 years of age, but disabled according to standards in use in the Aid to the Disabled (AD) Program in 1973.
3. Blind means persons medically determined to be legally blind according to the standards in use in the Aid to the Blind (AB) Program in 1973.

The program is funded with 85% state and 15% local funds. This will change to 100% state funds beginning 1-1-90.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Total expenditures	\$ 25,445	\$ 30,585	\$ 35,991	\$ 42,074
Average monthly number of recipients	11,853	12,647	13,472	14,435

LEGISLATIVE ISSUES:

Legislation is planned to simplify MSA eligibility and operating procedures. Payment levels would increase and be uniform statewide. The language would also differentiate between MSA payments made to individuals residing in their own homes and those who reside in negotiated rate facilities. An increase in MSA payments will increase benefits paid under the MA program.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested to accomplish the goals of this activity, except as detailed on the following change pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : FAMILY SUPPORT
BUDGET ACTIVITY : MSA GRANTS

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
LOCAL ASSISTANCE	20,658	25,701	30,552	2,968	33,520	32,491	35,671	3,938	39,609	38,027
TOTAL EXPENDITURES	20,658	25,701	30,552	2,968	33,520	32,491	35,671	3,938	39,609	38,027
CHANGE REQUESTS:	FUND									
B PAYMENT OF RESERVE BED DAYS				450		0		530		0
B SILS GRANTS INCREASE				77		77		161		161
B M.S.A. - REFORM & SIMPLIFICATION				0		0		514		514
B EXEMPT IMD S FROM RATE CAP				2,441		1,862		2,690		1,638
B RTC NEGOTIATIONS - TARGETING WAIVER				0		0		43		43
TOTAL CHANGE REQUESTS				2,968		1,939		3,938		2,356
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	20,658	25,701	30,552	2,968	33,520	32,491	35,671	3,938	39,609	38,027
TOTAL FINANCING	20,658	25,701	30,552	2,968	33,520	32,491	35,671	3,938	39,609	38,027
POSITIONS BY FUND:										
TOTAL POSITIONS										

**MSA GRANTS
FORECAST INFORMATION**

This table shows total MSA caseload and expenditures, including projections through FY 1991:

Total MSA Program					
<u>Fiscal Year</u>	<u>Monthly Average Recipients</u>	<u>Monthly Average Payments</u>	<u>Total Annual Payments</u>	<u>State Share</u>	<u>County Share*</u>
1986	10,766	\$148.05	\$19,126,323	\$16,257,375	\$2,868,948
1987	11,286	163.26	22,111,092	\$18,794,428	3,316,664
1988	11,853	178.97	25,455,832	\$21,637,457	3,818,375
PROJECTED					
1989	12,647	\$201.58	\$30,593,397	\$26,004,388	\$4,589,010
1990	13,472	222.33	35,942,999	\$30,551,549	5,391,450
1991	14,435	242.27	41,965,977	\$35,671,081	6,294,897

The following tables show MSA caseload and expenditures by the living arrangement of the recipient.

Recipients in Negotiated Rate Facilities					
1986	2,721	\$411.74	\$13,444,173	\$11,427,547	\$2,016,626
1987	3,004	424.10	15,289,529	12,996,100	2,293,429
1988	3,571	424.09	18,174,856	15,448,627	2,726,228
PROJECTED					
1989	4,137	\$449.34	\$22,305,398	\$18,959,588	\$3,345,810
1990	4,692	469.81	26,449,443	22,482,027	3,967,416
1991	5,250	493.21	31,073,225	26,412,241	4,660,984

<u>Fiscal Year</u>	<u>Monthly Average Recipients</u>	<u>Monthly Average Payments</u>	<u>Total Annual Payments</u>	<u>State Share</u>	<u>County Share*</u>
1986	4,975	\$16.50	\$985,050	\$837,293	\$147,758
1987	4,684	16.99	955,015	811,763	143,252
1988	4,373	17.08	896,158	761,734	134,424
PROJECTED					
1989	4,211	\$18.08	\$913,534	\$776,504	\$137,030
1990	4,051	20.08	976,048	829,641	146,407
1991	3,982	22.08	1,055,031	896,776	158,255

Recipients in Private Dwellings

1986	3,070	\$127.50	\$4,697,100	\$3,992,535	\$704,565
1987	3,598	135.89	5,866,548	4,986,566	879,982
1988	3,909	136.13	6,384,818	5,427,096	957,723
PROJECTED					
1989	4,300	\$142.93	\$7,374,465	\$6,268,296	\$1,106,170
1990	4,729	150.08	8,517,507	7,239,881	1,277,626
1991	5,202	157.58	9,837,721	8,362,063	1,475,658

MSA GRANTS
FORECAST INFORMATION

This table shows the projected increases in MSA expenditures under current law.

	<u>FY 1990</u>	(Thousands)	<u>FY 1991</u>
Projected FY 1989 State share cost:	\$26,004		\$26,004
<u>Projected Increases Under Current Law</u>			
MR waiver recipient costs:	\$ 1,306		\$ 2,526
Boarding care recipients from MA:			
IMD issue:	746		786
Medicaid certification issues:	-0-		1,057
Other negotiated rate facility:			
rates	383		831
personal needs increases	69		148
caseload	1,017		2,105
Recipients in private dwellings:			
average grant	345		777
caseload	627		1,316
Recipients in nursing homes, personal needs increase offset by caseload decrease:	53		120
Projected State share cost For FY 1990 and FY 1991 under current law:	\$30,552		\$35,671
State share cost increase over FY 1989:	\$4,547		\$ 9,667

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MSA GRANTS
 PROGRAM: FAMILY SUPPORT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: MINNESOTA SUPPLEMENTAL AID REFORM AND SIMPLIFICATION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ -0-	-0-	\$ 514	-0-

Governor's Recommendation

General Fund	\$ -0-	-0-	\$ 514	-0-
--------------	--------	-----	--------	-----

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. sec. 256D.37

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to simplify the Minnesota Supplemental Aid (MSA) program and make it more consistent with other income maintenance programs. Specifically, the funds requested will cover the costs of simplifying and increasing payment levels to make them uniform statewide.

DESCRIPTION/BACKGROUND:

Eligibility and operating policies of MSA are almost entirely those which were in effect in 1973. This causes operational complexities because 1973 policy was often obscure, incomplete, or unwritten, forcing county agencies and the department to operate based on the memory and interpretation of staff with the most seniority. The tie to 1973 MSA policies prevents development of consistent statewide policy. As a result, clients in different counties are treated differently, and often inequitably. It is impossible to automate the program without simplification and consistency with other programs. The department is unable to make program improvements without statutory changes.

Legislation has been requested to simplify MSA eligibility and operating procedures. Effective 7-1-90, payment levels will be made uniform statewide. Proposed changes would place limits on emergency assistance use, eliminate fuel and utility recaps, provide for recoupment of overpayments, and place additional requirements on responsible relatives.

RATIONALE:

This request is necessary to provide uniform operation of the MSA program statewide and prepare the MSA program for automation.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures State Share (MSA Grants)	\$ 21,637	\$ 26,004	\$ 30,551	\$ 35,671

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 514	\$ 514

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MSA GRANTS
 PROGRAM: FAMILY SUPPORT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: PAYMENT FOR RESERVE BED DAYS-- MSA AND GA

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 450	-0-	\$ 530	-0-
General Fund (GA Grants)	\$ 71	-0-	\$ 81	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 256D.01; 256D.05; 256D.06; 256D.37

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to provide for payment of reserve bed days to negotiated rate facilities.

DESCRIPTION/BACKGROUND:

The 1987 Minnesota Legislature requested recommendations from the department on changing the rate-setting system for negotiated rate facilities. One proposed recommendation is to allow payment for reserve bed days. This proposal represents a first step in the process of reforming the current problem ridden rate-setting system. The department intends to introduce a proposal to restructure the entire negotiated rate facility rate setting system during the 1990 legislative session. Therefore, funding for payment of reserve bed days is only requested through F.Y. 1991.

RATIONALE:

This request is a necessary first step in the effort to reform the rate-setting process for negotiated rate facilities.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	<u>(Dollars in Thousands)</u>	
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>
General Fund Expenditures	\$ 610	\$ 690
General Fund Expenditures (GA Grants)	\$ 91	\$ 101

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The department will develop a new system of setting residential rates in this biennium. (Request funded elsewhere.) The department will consider the overall care needs of clients in developing the new rate-setting system, including the need for reserve bed days. On-going funding for new residential rates will be sought by the department after the development of the new rate-setting system.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MSA GRANTS
 PROGRAM: FAMILY SUPPORT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: EXEMPTING IMD FACILITIES FROM THE CURRENT RATE CAP

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$2,441	-0-	\$2,690	-0-
Governor's Recommendation				
General Fund	\$1,862	-0-	\$1,638	-0-

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 256D.36, 256D.37, 256D.42

STATEMENT OF REQUEST/OBJECTIVE:

The department request the above funds to provide Minnesota Supplemental Aid (MSA) payments above the current limits to eligible clients who are residents of certified nursing and boarding care homes that are declared institutions for mental disease by 1-1-89.

DESCRIPTION/BACKGROUND:

Federal regulations define "institutions for mental disease" (IMDs) as residences that provide care and treatment primarily to people with mental diseases. These regulations also prohibit Medicaid payments for people who are age 21 to 64 and reside in an IMD. The Health Care Financing Agency (HCFA) is currently conducting national reviews to determine if states are following these restrictions.

Minnesota has several facilities that must be declared IMDs before 1-1-89. People ages 21 to 64 who live in these facilities have had their per diem paid from MA. However, once the facility is declared an IMD, they will be ineligible for MA. In order to avoid disruption and abrupt transfer, per diem for these persons will have to be paid from MSA. As the per diem rates for many of these facilities are above the maximum allowed by MSA, the department is proposing to lift the MSA rate cap for these people so they can remain in the facilities. The MSA rate cap has already been lifted for non-certified facilities. Certified facilities actually are subject to higher requirements than non-certified facilities. This increase is partially offset by a reduction in the MA caseload for these persons.

RATIONALE:

This request will prevent mass evictions of IMD residents and will allow them to remain in their current facility.

BASE: None.

LONG RANGE IMPLICATIONS: Depends on result of development of new residential rates.

GOVERNOR'S RECOMMENDATION:

The Governor recommends a one-time biennial appropriation of \$3,500,000 for additional per diem payments above the current MSA rate cap to facilities declared IMDs on 1-1-89. The agency shall develop a state-wide system of setting rates for residential facilities in this biennium. (Request is funded elsewhere.) On-going funding for residential rates appropriate to the care needs of clients will be sought by the department in the 1992-93 biennial budget.

PROGRAM: HEALTH CARE
AGENCY: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

PROGRAM PURPOSE:

The health care management program exists so low income persons have access to quality medical care for both acute and chronic health-related conditions and to ensure payments to enrolled providers of medical and health care services on behalf of eligible citizens of the state.

The objectives of the management activities included in this program are:

1. Administering the Medical Assistance (MA), General Assistance Medical Care (GAMC), Early and Periodic Screening, Diagnosis and Treatment (EPSDT), Children's Health Plan, and Home and Community Waivered Service programs.
2. Developing and maintaining prevention oriented programs to support the delivery of effective prenatal care services.
3. Initiating the development and funding of cost effective health services to enable persons to remain in the community as an alternative to institutional care.
4. Ensuring that program expenditures are made according to state and federal requirements and to secure recovery of expenditures where fraud, abuse or misuse is established.
5. Ensuring that medical care and services provided are medically necessary and are delivered in an appropriate, timely and cost-effective manner, maximizing the use of third-party payments and the availability of federal funds .
6. Establishing and administering policies and rules for payment of institutional care in hospitals, nursing homes, Intermediate Care Facilities for the Mentally Retarded (ICFs/MR) and day habilitation and training centers (DHT).
7. Managing an effective system of auditing long-term care facilities, grantees, and state contractors while resolving provider appeals filed by long-term care facilities and acute care hospitals.
8. Managing the technical design of all rate setting systems for payment necessary to operate the Medicaid Management Information System (MMIS), the process which identifies necessary modifications to the MMIS and to update the MMIS and Long Term Care Payment System to enhance program efficiency and comply with new regulations, laws, rules, and policy changes.
9. Operating cost containment prepayment reimbursement systems for the MA and GAMC programs, while exploring and initiating alternative health care delivery and funding strategies to maximize efficient use of tax dollars.
10. Operating a centralized medical claims processing and reimbursement system for MA and GAMC.

OPERATIONS:

This program manages major health care programs for the department. It is an aggregation of the management activities that follow: Health Care Management, Preadmission Screening/Alternative Care Grants, Audits, Provider Appeals, Long Term Care Management, General Assistance Medical Care Grants, Medical Assistance Grants, Health Care Collections, Medical Assistance Demonstration Project, Health Care Support and Children's Health Plan. The detailed description and statistics of each of these activities appear on the individual sheets that follow.

State agency staff provide program guidelines to local agencies for implementation of these programs in the form of rules and instructions which are designed to maximize federal funding while ensuring that the needs of low income persons are met. In addition, state agency staff make payments to providers of medical and health services, as well as conduct post-payment audits to detect abuse and/or fraud by recipients and providers of the MA and GAMC programs. State agency staff determine client eligibility for the Children's Health Plan; however, local agency staff determine individual eligibility for the MA, GAMC, Alternative Care Grants and Home and Community Based Waivers programs. The major goal of these programs is to provide the appropriate medical benefits to all eligible citizens in an effective and efficient manner. The following number of low income persons were served by health care programs in an average month.

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Medical Assistance (MA)	161,783	167,796	171,136	173,809
General Assistance Medical Care (GAMC)	23,067	23,834	24,351	24,595
Childrens Health Program (implemented 7/1/88)	-0-	6,038	12,075	14,088

MAJOR POLICY ISSUES:

1. Cost containment strategies
2. Health care coverage for the working poor and underinsured
3. Efficiency in program administration

PROGRAM PRIORITIES:

1. Department Initiatives:

a. Medical Assistance:

Strengthen program administration to improve federal compliance and increase access to services.

Continue reduction of the long-term care rate appeals backlog.

Expand managed care approaches to health care delivery.

Restructure ICF/MR and Day Habilitation and Training Center rate setting.

Develop a mechanized MA/GAMC reimbursement system that assures utilization controls and establishes an adequate prospective payment

PROGRAM: HEALTH CARE
(Continuation)

1990-91 Biennial Budget

AGENCY: HUMAN SERVICES, DEPARTMENT OF

to the acute care hospital prospective property payment system.

Develop an effective and efficient prior authorization process for MA and GAMC providers.

b. Health Care for the Uninsured:

Expand the Children's Health Plan.

Meet the needs of the uninsured.

Maximize federal financial participation.

Maximize third party recoveries.

2. Other Priorities:

a. Continue emphasis on primary and preventive health care for pregnant women and children.

b. Comply with federal legislative changes.

c. Upgrade and maintaining the MMIS and Long Term Care payment system.

GOVERNORS RECOMMENDATION:

The Governor recommends a base of \$1,139,282,000 and a biennial increase of \$26,517,000 for the 1990-91 budget. Details for increased funding can be found on the following budget activity change request pages.

F7000.WP
1-11-89 AM

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : HEALTH CARE

ACTIVITY EXPENDITURES:	F.Y. 1990						F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
HEALTH CARE MANAGEMENT	2,415	3,334	2,498	2,484	4,982	3,685	2,498	7,187	9,685	3,563	
B HEALTH CARE FOR THE UNINSURED GEN				700		0		5,000		0	
B REVIEW OF MA PREPAYMENT PLANS GEN				200		200		200		200	
B MA/GAMC REIMB. FOR NON-INSTITUTION CARE GEN				135		135		125		125	
B MA/GAMC PROVIDER MANUAL GEN				100		0		0		0	
B LANGUAGE INTERPRETERS FOR HEALTH SERVICES GEN				170		170		240		240	
B MEDICARE LEG:MA SERVICE IN SCHOOL DIST. GEN				100		100		100		0	
B DISABILITY DETERMINATION SMRT GEN				45		0		44		0	
B CM FOR PERSONS WITH AIDS GEN				500		500		500		500	
B PHONE-IN SYSTEM FOR PRIOR AUTHORIZATION GEN				149		0		146		0	
B MA ELIGIBILITY 209B STUDY GEN				70		0		0		0	
B PROVIDER COORDINATION GEN				45		0		44		0	
B MANAGED HEALTH CARE GEN				270		82		788		0	
MA GRANTS	1,194,139	1,295,689	1,373,062	2,730	1,375,792	1,372,462	1,471,479	10,040	1,481,519	1,474,336	
B NURSING HOME REFORM ACT - MH ALTERNATIVES GEN				<306>		<306>		<974>		<974>	
B RTC PER SERVICE CHARGE GEN				<25>		<25>		<75>		<75>	
B MA/GAMC REIMB. FOR NON-INSTITUTION CARE GEN				2,224		0		4,410		0	
B ELIG ASSET LIMIT - FED COMPLIANCE GEN				1,553		1,479		1,652		1,575	
B MEDICARE CERTIFICATION-SKILL NURS FACIL GEN				<269>		<269>		<337>		<337>	
B NURSING HOME PENSION PASS-THRU DELETION GEN				<400>		<400>		0		0	
B NURSING HOME REFORM ACT GEN				800		600		800		600	
B DELAY IMPLEMENT DAY TRNG/HABILITATION SY GEN				<151>		<151>		0		0	
B CAST METAL DENTAL RESTORATIONS GEN				139		0		195		0	
B MA COVERAGE OF CHILDREN'S M.H. SERVICES GEN				0		0		1,548		1,500	
B INCREASE AFDC GRANT GEN				591		0		1,424		0	
B GA/SSI CONVERSION PROJECT GEN				503		503		546		546	
B CASE MANAGEMENT FOR BRAIN INJURED GEN				<337>		<337>		<521>		<521>	
B MODIFICATION TO HOSPITAL REIMB. SYSTEM GEN				0		<679>		1,595		<1,080>	
B TRANSFER FROM MA FOR ICF-CD PROG GEN				<288>		<288>		<300>		<300>	
B SUPPORT QUALITY IMPROVEMENT ACTIVITIES GEN				<231>		<231>		<214>		<214>	

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : HEALTH CARE

ACTIVITY EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
B AUTOMATION FOR IMPROVED QUALITY GEN				<341>		0		<556>		0
B ENHANCED NUTR. CONTENT MEALS & MENU VAR. GEN				<353>		<353>		<332>		<332>
B ENHANCED NUTR. CONTENT MEALS & MENU VAR. GEN				<32>		<32>		<32>		<32>
B FUNDING SALES TAX PAYMENTS & REG. FEES GEN				<171>		0		<163>		0
B FUNDING SALES TAX PAYMENTS & REG. FEES GEN				<65>		0		<65>		0
B DISPOSABLE BRIEFS-INCONTINENT PATIENTS GEN				<542>		<542>		<523>		<523>
B DISPOSABLE BRIEFS-INCONTINENT PATIENTS GEN				<330>		<330>		<330>		<330>
B IMPLEMENT UNIVERSAL PRECAUTION INFECTION GEN				<256>		<256>		<245>		<245>
B IMPLEMENT UNIVERSAL PRECAUTION INFECTION GEN				<122>		<122>		<114>		<114>
B SERVICE AND REVENUE RECOVERY PROJECT GEN				<80>		<80>		<95>		<95>
B ELIG ASSET LIMIT-CHILDREN GEN				35		35		95		95
B RTC NEGOTIATIONS - TARGETING WAIVER GEN				0		0		128		128
B MANAGED HEALTH CARE GEN				0		0		<1,062>		0
B RTC NEG - MA GRANTS/RTC CTS/RTC GEN				<463>		<463>		<4,424>		<4,424>
B RTC NEG - CTS / SOCS GEN				0		0		3,240		3,240
B RTC NEG - CTS / RTC GEN				921		921		10,150		10,150
B RTC NEG - CTS/SOCS GEN				0		0		<7,779>		<7,779>
B RTC NEG - OAK TERRACE REDUCTION GEN				726		726		2,398		2,398
MA DEMO PROJECTS	682	580	540	0	540	540	540	0	540	540
GAMC GRANTS	81,763	82,891	84,631	1,829	86,460	84,737	90,514	3,845	94,359	90,546
B MA/GAMC REIMB. FOR NON-INSTITUTION CARE GEN				906		0		1,574		0
B INCREASE AFDC GRANT GEN				569		0		1,137		0
B GA/SSI CONVERSION PROJECT GEN				<1,185>		<1,185>		<1,285>		<1,285>
B MA TO GAMC / FEDERAL IMD LAW GEN				1,539		1,539		1,744		1,744
B MODIFICATION HOSPITAL REIMB. SYSTEM GEN				0		<248>		675		<427>
PAS - ALTERNATIVE CARE GRANTS	12,398	13,530	13,530	2,199	15,729	14,530	13,530	4,226	17,756	15,030
B ALTERNATIVE CARE GRANT FORECAST GEN				2,199		1,000		4,226		1,500
CHILDRENS HEALTH PLAN	112	1,980	4,163	2,825	6,988	4,163	4,916	4,511	9,427	8,416
B ELIGIBILITY UNDER CHP GEN				2,825		0		4,511		3,500
B TRANSFER BASE OF CHP TO GEN FUND GEN				0		4,163		0		4,916

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : HEALTH CARE

ACTIVITY EXPENDITURES:		F.Y. 1990						F.Y. 1991			
		FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
				BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
B TRANSFER BASE OF CHP TO GEN FUND	PHLT				0		<4,163>		0		<4,916>
HEALTH CARE SUPPORT		12,032	9,474	15,779	715	16,494	16,494	12,008	296	12,304	12,304
B LTC SYSTEM MAINTENANCE/STAFF	GEN				150		150		150		150
B MMIS REDESIGN	GEN				565		565		146		146
HEALTH CARE COLLECTIONS		1,567	1,705	1,826	188	2,014	2,014	1,826	173	1,999	1,999
B INCREASE MA/GAMC RECOVERIES/THIRD PARTY LIABILITY	GEN				108		108		98		98
B INCREASED MA/GAMC RECOVERIES THRU SURS	GEN				80		80		75		75
LONG TERM CARE MANAGEMENT		6,262	6,943	7,621	2,143	9,764	9,572	7,460	2,265	9,725	8,946
B CASE MANAGEMENT FOR NON WAIVER HOME CARE	GEN				648		337		1,172		521
B SURVEY AND CERTIFICATION CONTRACT	GEN				347		347		256		256
B STAFF INCREASE ICF/MR-DT-HABIL SYSTEM	GEN				76		38		68		34
B NURS. HOME REFORM ACT:NURSING ASS'T TRNG	GEN				1,007		1,207		594		500
B RTC NEGOTIATIONS - HEALTH DEPT LIC/CERT	GEN				22		22		132		132
B RTC NEGOTIATIONS - RATE SET/AUDITING	GEN				43		0		43		43
AUDITS		1,477	1,969	2,176	837	3,013	2,742	2,176	889	3,065	3,015
B RESTRUCTURING OF ICF/MR RATE SETTING	GEN				111		55		100		50
B MODIFY HOSPITAL REIMBURSEMENT SYSTEM	GEN				511		511		407		407
B RTC NEGOTIATION - RATE SET/AUDITING	GEN				215		0		382		382
PROVIDER APPEALS		873	1,157	1,165	302	1,467	1,467	1,165	275	1,440	1,440
B PROVIDER APPEAL STAFF	GEN				302		302		275		275
TOTAL EXPENDITURES		1,313,720	1,419,252	1,506,991	16,252	1,523,243	1,512,406	1,608,112	33,707	1,641,819	1,620,135

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : HEALTH CARE

ACTIVITY EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	438,215	495,570	545,217	16,252	561,469	554,795	594,065	33,707	627,772	611,004
PUBLIC HEALTH	112	1,980	4,163	0	4,163	0	4,916	0	4,916	0
STATUTORY APPROPRIATIONS:										
GENERAL	222,440	225,851	221,767	0	221,767	221,767	226,412	0	226,412	226,412
SPECIAL REVENUE	3,741	2,475	6,359	0	6,359	6,359	2,588	0	2,588	2,588
FEDERAL	649,184	693,376	729,485	0	729,485	729,485	780,131	0	780,131	780,131
GIFTS AND DEPOSITS	28	0	0	0	0	0	0	0	0	0
TOTAL FINANCING	1,313,720	1,419,252	1,506,991	16,252	1,523,243	1,512,406	1,608,112	33,707	1,641,819	1,620,135
POSITIONS BY FUND:										
GENERAL	249.0	253.0	252.0	58.0	310.0	296.5	252.0	66.0	318.0	308.0
PUBLIC HEALTH	7.0	10.0	10.0	0.0	10.0	0.0	10.0	0.0	10.0	0.0
SPECIAL REVENUE	6.0	6.0	6.0	0.0	6.0	6.0	6.0	0.0	6.0	6.0
TOTAL POSITIONS	262.0	269.0	268.0	58.0	326.0	302.5	268.0	66.0	334.0	314.0

ACTIVITY: HEALTH CARE MANAGEMENT
 Program: HEALTH CARE
 Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

1. To manage the Medical Assistance (MA), General Assistance Medical Care (GAMC), and Early and Periodic Screening (EPSDT) programs so eligible persons receive adequate and cost effective health care services which promote well being and independence.
2. To maximize the federal dollars available to Minnesota for the health needs of low income persons.
3. To develop and maintain prevention oriented programs.
4. To support the delivery of effective maternal and child care services to MA eligible persons.
5. To ensure that medical care and services provided under the MA and GAMC programs are medically necessary and delivered in an appropriate, timely, and cost effective manner. This includes providing uniformity and control of reference price files.
6. To manage the process which identifies modifications to the bill paying system, the Medicaid Management Information System (MMIS), which are necessary to meet new federal and state laws and regulations, and other policy changes.
7. To manage the technical design of all rate setting systems to operate the MMIS, including rate calculations for hospitals, long-term care facilities, prepaid health plans, physicians, dentists, prescribed drugs, medical supplies, transportation, and all services provided through the MMIS.
8. To upgrade the MMIS and make adjustments as necessary to the Long Term Care Payment System to enhance program efficiency.

EFFECTIVENESS MEASURES: F.Y. 1988 F.Y. 1989 F.Y. 1990 F.Y. 1991

State dollars saved through pre-paid health voluntary and GAMC contracts				
MA	\$ 1,415	\$ 1,605	\$ 1,709	\$ 1,739
GAMC	1,058	1,118	1,240	1,331

ACTIVITY DESCRIPTION:

This activity manages the MA, GAMC and EPSDT programs in compliance with state and federal law. This requires the development and implementation of policies which are consistent with federal regulations without compromising the autonomy of Minnesota health care policy. The activity develops rules and policies on recipient eligibility, and provides technical assistance, consultation, and training to local agency staff to ensure the effective local implementation of the respective programs.

This activity is responsible for maintaining the MA State plan. The State plan incorporates all components of the MA program, including eligibility, medical services, administration, and payment mechanisms, and must be effectively maintained to prevent deferral or disallowance of federal funds.

This activity also manages the health care services provided by the MA and GAMC programs. Responsibilities include initiation and administration of the volume purchase contracts, interpretation of state and federal laws and

regulations, development of health care services policies and standards, determination of community practice standards, promulgation of administrative rules, preparation of provider manuals and bulletins and other types of instructional materials, professional reviews to determine disability status of program applicants, and the administration of the prior authorization system, under which requests for specific medical services or goods are reviewed by professional staff and consultants to ascertain medical necessity.

Another objective of this activity is the coordination and prioritizing of all requests for modifications to the MMIS including federal and state law, regulation and rule changes, and new policies developed by the representative policy sections of the department. This includes analysis of the reason for the request, coordination of multiple modification system testing, setting of priorities for changes, and review and development of specifications for changes. This also includes the management of the price reference file for the MMIS.

ACCOMPLISHMENTS AND GOALS:

Accomplishments:

1. Reduced state and local GAMC costs by implementing federal options to shift coverage of certain categories of pregnant women to MA.
2. Administered the MA program to minimize the loss of federal funds due to quality control error rates.
3. Developed the administrative rule for MA case management services for seriously and persistently mentally ill.
4. Promulgated the MA service rule and distributed a new, comprehensive MA/GAMC provider manual describing current service policy and procedures.
5. Developed and clarified policy and standards for health services paid by MA and GAMC.
6. Implemented initiatives to combat health conditions which negatively effect women and children.

Goals:

1. Coordinate requests for modifications to the MMIS which result in timely and efficient modifications that complement each other.
2. Upgrade the MMIS and Long Term Care payment system to assure positive and cost-beneficial effects, including:
 - a. improved ability to respond to MA program changes thus avoiding retroactive provider charges and costly federal fiscal sanctions;
 - b. better monitoring and calculation of payment rates for all providers as well as better information to providers on payments in process;
 - c. faster payment to providers and reduced suspended claims;
 - d. increased recipient referrals to federal programs resulting in reduced state expenditures;
 - e. current provider and recipient information;
 - f. accurate cost avoidance information on other health care coverage; g. greater prevention of provider and recipient misuse or fraud; and h. improved access to management information for administrative and legislative decision making.

ACTIVITY: HEALTH CARE MANAGEMENT
(Continuation)

1990-91 Biennial Budget

Program: HEALTH CARE
Agency: HUMAN SERVICES, DEPARTMENT OF

3. Review and restructure the MA/GAMC reimbursement system for ambulatory care recipients.
4. Improve federal compliance in the areas of eligibility determinations, review of prepayment plans and Institutions for Mental Diseases (IMD) issues.
5. Address the health care needs of the uninsured.

state general fund.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested to accomplish the goals of this activity except as detailed on the following change pages.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Average number of recipients/month				
MA	161,783	167,796	171,136	173,809
GAMC	23,067	23,834	24,351	24,595
Policy interpretations rendered to local agencies	822	825	825	825
Number of EPSDT screenings	27,500	27,500	27,500	27,500
Number of prior authorization requests	6,800	8,000	8,500	8,500
Number of second surgical opinions	1,140	1,140	1,140	1,140
Number of recipients enrolled in prepaid health plans	7,400	7,400	7,400	7,400

LEGISLATIVE ISSUES:

The department will present legislative initiatives on:

1. MA/GAMC reimbursement for non-institutionalized care;
2. health care for the uninsured;
3. managed care for selected MA/GAMC populations;
4. MA asset limits; and
5. Medicare Catastrophic Legislative changes.

FEDERAL ISSUES:

The Omnibus Budget Reconciliation Act of 1987 and the Medicare Catastrophic Act of 1988 provide federally required changes to the Medicaid and Medicare programs that affect MA eligibility and Medicare/Medicaid covered services. The Medicare Catastrophic Act of 1988 mandated changes in:

1. MA asset and income allocations for spouses of institutionalized individuals;
2. MA transfer of asset requirements;
3. Medicare covered drug benefits;
4. MA eligibility for Medicare buy-in recipients; and
5. Medicare covered services.

REVENUE:

This activity earns federal administrative reimbursement at the rate of 37.8% of non-systems expenditures. These expenditures are deposited to the

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : HEALTH CARE
BUDGET ACTIVITY : HEALTH CARE MANAGEMENT

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	1,149	1,190	1,169	565	1,734	1,323	1,169	687	1,856	1,283
EXPENSES/CONTRACTUAL SRVCS	919	1,457	1,192	1,411	2,603	1,840	1,192	938	2,130	1,698
MISC OPERATING EXPENSES	76	112	112	38	150	123	112	50	162	113
SUPPLIES/MATERIALS/PARTS	21	19	19	8	27	21	19	9	28	21
CAPITAL EQUIPMENT	11	6	6	22	28	8	6	15	21	8
STATE OPERATIONS	2,176	2,784	2,498	2,044	4,542	3,315	2,498	1,699	4,197	3,123
AIDS TO INDIVIDUALS	239	350	0	0	0	0	0	4,550	4,550	0
LOCAL ASSISTANCE	0	200	0	440	440	370	0	938	938	440
TOTAL EXPENDITURES	2,415	3,334	2,498	2,484	4,982	3,685	2,498	7,187	9,685	3,563
CHANGE REQUESTS: FUND										
B HEALTH CARE FOR THE UNINSURED	GEN			700		0		5,000		0
B REVIEW OF MA PREPAYMENT PLANS	GEN			200		200		200		200
B MA/GAMC REIMB. FOR NON-INSTITUTION CARE	GEN			135		135		125		125
B MA/GAMC PROVIDER MANUAL	GEN			100		0		0		0
B LANGUAGE INTERPRETERS FOR HEALTH SERVICES	GEN			170		170		240		240
B MEDICARE LEG:MA SERVICE IN SCHOOL DIST.	GEN			100		100		100		0
B DISABILITY DETERMINATION SMRT	GEN			45		0		44		0
B CM FOR PERSONS WITH AIDS	GEN			500		500		500		500
B PHONE-IN SYSTEM FOR PRIOR AUTHORIZATION	GEN			149		0		146		0
B MA ELIGIBILITY 209B STUDY	GEN			70		0		0		0
B PROVIDER COORDINATION	GEN			45		0		44		0
B MANAGED HEALTH CARE	GEN			270		82		788		0
TOTAL CHANGE REQUESTS				2,484		1,187		7,187		1,065

SOURCES OF FINANCING:

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : HEALTH CARE
BUDGET ACTIVITY : HEALTH CARE MANAGEMENT

SOURCES OF FINANCING:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DIRECT APPROPRIATIONS:										
GENERAL	1,915	2,834	1,998	2,484	4,482	3,185	1,998	7,187	9,185	3,063
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	500	500	500	0	500	500	500	0	500	500
TOTAL FINANCING	2,415	3,334	2,498	2,484	4,982	3,685	2,498	7,187	9,685	3,563
POSITIONS BY FUND:										
GENERAL	30.5	29.5	28.5	18.0	46.5	34.0	28.5	22.0	50.5	32.5
TOTAL POSITIONS	30.5	29.5	28.5	18.0	46.5	34.0	28.5	22.0	50.5	32.5

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: HEALTH CARE MANAGEMENT
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: HEALTH CARE FOR THE UNINSURED

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 700	4.0	\$5,000	8.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: X Yes _____ No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the funds and positions to prepare for implementation of a statewide plan of health insurance for all uninsured Minnesotans. This proposal is part of a department initiative to address the health care needs of the uninsured and to support families' efforts to be self-sufficient.

DESCRIPTION/BACKGROUND:

In 1988, the department was directed by the legislature to prepare a plan to implement the Healthspan concept. As described in 1987, Healthspan would be a plan of health coverage offered statewide to all uninsured residents. A public subsidy for a comprehensive benefit package would be available on a sliding-fee basis to all individuals and families with incomes less than 250% of the federal poverty level. The state would purchase health insurance for residents who chose to participate, perform some program administration, coordinate this plan of coverage with all other existing plans, both public and private, and encourage employers to participate. Financing was expected to come from all levels of government. The plan would be phased-in over a 5 year period by geographic region.

The department's report was delivered to the legislature in January of 1989. It addresses the many policy issues involved in implementation of a statewide, state-subsidized plan of health insurance. The policy issues are stated and options are described with both supporting and opposing positions included. Data about the uninsured and possible costs of different benefit packages are a part of the report.

The department's recommendation in the report is that the state make a commitment to implementation of a statewide plan of subsidized health insurance for all residents and that this commitment begin with adequate funding for the planning, research and development necessary to implement 2 pilot projects in the next biennium with a goal of full implementation within 5 years. The pilot projects would be designed to test the effectiveness of

proposed solutions to specific problems and issues. The purpose would be to learn from both success and failure prior to a full-scale financial commitment to a single program approach. The pilot projects would begin in the second year of the biennium. One would be designed to use a limited provider network within a defined geographic area, to pilot marketing and outreach activities, administration and benefit design. The second would be an employer-based effort with the participation of a private insurer. This pilot could be coordinated with other state efforts to promote economic development and family self-sufficiency. Enrollment in the pilot projects would be limited by the appropriation available.

In addition, the department recommends creation of a health insurance information function at the state level to help smaller businesses identify, compare and develop financing for health benefit options for their employees and their dependents. This function should be in an appropriate state agency, such as Commerce, Health, Employee Relations or Jobs and Training. The information gained through this activity is essential to support this department's efforts to implement a statewide plan of coverage for the uninsured and funding could occur through interagency agreement.

RATIONALE:

Implementation of a statewide health insurance plan is a major, long-term financial commitment for this state. The legislature needs to provide policy decisions that will enable development of a statewide plan and adequate funding for research, technical and professional expertise and pilot project costs are essential. Four positions in the first year would provide for project design and coordination, market research, survey activities, plan administration design, claims administration design and contract management. These positions would be supplemented the second year with clerical support, benefits management, evaluation and project administration support.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	<u>(Dollars in Thousands)</u>	
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>
General Fund Expenditures	\$ 10,000	\$ 10,000

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the Governor supports the policy of providing health coverage to the uninsured, he is concerned that the present proposal fails to satisfactorily address the issue of the financing of the program.

Furthermore, a number of states and local governments are already testing varying approaches for providing insurance for the uninsured. Massachusetts, Washington, Wisconsin, Oregon and New York have programs that can be studied. Locally, the Health Insurance Coalition Demonstration Project and the Southwest Central Minnesota Health Insurance Program should be closely monitored. Given this, the Governor recommends that DHS not establish additional pilot projects but rather develop a proposal for the 1990 legislative session that specifies which health services should be included in such an insurance plan and what the financing mechanism should be.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: HEALTH CARE MANAGEMENT
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: DISABILITY DETERMINATIONS FOR MEDICAL ASSISTANCE: STATE MEDICAL REVIEW TEAM

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 45	1.0	\$ 44	1.0

Governor's Recommendation

General Fund	\$ -0-	-0-	\$ -0-	-0-
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Request requires statutory change: _____ Yes X No

Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and position to minimize the risk of federal sanctions by developing an efficient and effective medical assistance (MA) eligibility determination process for disabled persons using the State Medical Review Team (SMRT). This request is a part of a department initiative to efficiently and effectively manage the medical assistance program.

DESCRIPTION/BACKGROUND:

A finding of disability is one of the bases of MA eligibility for persons under age 65. Federal regulations require that MA agencies use a team comprised of appropriate medical professionals and a social worker to determine if disability exists which meets federal criteria. No professional staff at the department are dedicated to this process resulting in delays in eligibility processing and inaccurate determinations from contracted medical consultants. Temporary professional and clerical staff are conducting this function until a permanent solution can be provided to assure that the state complies with federal requirements.

Inaccurate findings may result in federal sanctions if people are inappropriately found eligible for MA.

Delays in disability certification can place some people in life threatening situations as they await approval for surgery or other necessary services. Delays in determination of disability also result in increased costs in the General Assistance Medical Care (GAMC) program.

The need for, and complexity of, SMRT reviews has expanded as a result of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA). Section 134 of the act allows states to provide MA benefits to certain disabled children who reside at home and require the type of care given in a hospital, nursing home, or intermediate care facility for mentally retarded individuals. Additional

expansion of SMRT reviews is anticipated as a result of the GA/SSI Conversion Project.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Referrals for adult disability	2,300	2,300	2,500	2,700
Referrals for TEFRA disability	-0-	150	250	350

RATIONALE:

A stable, efficient system is needed to determine eligibility for MA on the basis of disability. An efficient, timely system ensures access to services needed by disabled citizens, while screening out persons capable of vocational activity.

BASE: None.

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 44	\$ 44

GOVERNOR'S RECOMMENDATION:

The Governor does not support the agency's request for this item. The Governor believes the workload should be handled by the agency's present staff.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: HEALTH CARE MANAGEMENT
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: MEDICAL ASSISTANCE ELIGIBILITY OPTIONS: 209B STUDY

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 70	-0-	\$ -0-	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds to minimize the risk for federal sanctions by conducting a study of the eligibility criteria for the Medical Assistance (MA) program. This request is part of the department's initiative to strengthen MA program administration, improve federal regulation compliance and increase service access.

DESCRIPTION/BACKGROUND: Federal law and regulation state 3 options in administering eligibility for Medicaid programs.

Option 209(b) states: Aged, blind and disabled persons receiving a Supplemental Security Income (SSI) benefit are eligible if they meet the more restrictive eligibility requirements imposed by the state and file a separate application with the state. These more restrictive requirements may not be more restrictive than those in effect on 1-1-72 and no more liberal than those applied under SSI or an optional state supplement program that meets the conditions of 42 CFR 435.230. In determining income eligibility for the aged, blind and disabled, states must deduct SSI payments, optional state supplements and incurred medical expenses.

Option SSI criteria states: Aged, blind and disabled persons receiving a SSI benefit are eligible to receive Medicaid, but must file a separate application with the state. The state does not deduct incurred medical expenses from income.

Option 1634 states: All aged, blind and disabled SSI recipients are Medicaid eligible. Under a 1634 agreement between the Social Security Administration (SSA) and the state, the authority for determination of Medicaid eligibility of SSI recipients rests with the SSA. The SSI application is considered an application for Medicaid. SSI does not deduct incurred medical expenses from income. The state pays half of the administrative costs of carrying out the agreement and data exchange expenses.

In 1972 the state had a choice of these 3 options and Minnesota chose 209(b) because it appeared to provide the most flexibility in eligibility policy

determination. Thirteen other states operated under the 209b option. They are:

Connecticut	Missouri	North Carolina	Oklahoma
Hawaii	Nebraska	North Dakota	Utah
Illinois	New Hampshire	Ohio	Virginia
Indiana			

Minnesota has operated the MA program over the years based on an eligibility policy that has sometimes been seen as more liberal than federal regulations allow. However, in the past, the Health Care Financing Administration (HCFA) required, that under option 209(b), states must ensure that state policy is no more restrictive than it was in 1972 and no more liberal than the policy of the SSI program or the state supplemental program. Minnesota avoided large federal disallowances when federal legislation enacted a moratorium against such sanctions through 2-17-89, while the state moved to comply with federal guidelines. The state has made changes in MA and Minnesota Supplemental Aid (MSA) eligibility policy that follow the SSI criteria for aged, blind and disabled. The state also began to adhere to Aid to Families with Dependent Children (AFDC) methodologies for families and children.

Medicare Catastrophic legislation further amended the Social Security Act to allow states to be more liberal than SSI. Therefore, the state needs to decide to continue to operate as a 209(b) option state, become a 1634 state, which follows SSI policy or become a SSI state, which also has income and asset methodologies that are more liberal than SSI. The advantages of being a 209(b) state seem to be disappearing. It is time to reexamine the policy.

RATIONALE: Funds are requested for a study by an independent entity to determine whether Minnesota should continue to operate as a 209(b) option state. Because of the perceived bias this department may have regarding this issue, the study should be completed by an independent entity. The study must assess:

1. Minnesota's position as a 209(b) state; and
2. Program fiscal and administrative effects of a change to the 1634 option.

BASE: None.

LONG RANGE IMPLICATIONS: None.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor recommends that the Department of Human Services study this issue with department staff rather than hire an independent consultant to do it.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: HEALTH CARE MANAGEMENT
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: REVIEW OF MA PREPAYMENT PLANS

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
General Fund	\$ 200	-0-	\$ 200	-0-
Governor's Recommendation				
General Fund	\$ 200	-0-	\$ 200	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to continue the federally required state contract for an independent quality assurance review of health care provided to Medical Assistance (MA) recipients enrolled in prepaid health plans. This is part of a department initiative to strengthen MA program administration and improve federal compliance.

DESCRIPTION/BACKGROUND:

The Omnibus Budget Reconciliation Act of 1987 (OBRA 87) requires that a quality assurance review of prepaid plans be conducted by an outside accreditation agency. The Joint Commission on the Accreditation of Health Care Organizations (JCAHO) was awarded a contract in 1988 to conduct this review. The data obtained from the JCAHO will provide information not only for recipients enrolled in the MA Demonstration Project but also for the fee for service provision of care. Federal financial participation (FFP) is available at the 50% rate.

The 1988 legislature authorized a one-time payment of state funds plus allowed the ability to retain FFP to fund the F.Y. 1989 review contract. For F.Y. 1989, the JCAHO provided a quality assurance review of 7 health plans, plus a review of Itasca County and Community Health Care, a voluntary program in Lake County. Since funding is not a part of the department's budget base, the department must request continual funding.

RATIONALE:

An annual review must be completed to comply with federal law. The department requires funding for a contract with an independent agency for the review. Inefficient or inadequate provision of health care can be rectified if identified for both prepaid project clients and fee for service recipients. Such deficiencies, when identified, can help establish long term improvements in the provision of health care, reduce costs, and improve service quality.

BASE: None.

LONG RANGE IMPLICATIONS: (Dollars in Thousands)
F.Y. 1992 F.Y. 1993

General Fund Expenditures \$ 200 \$ 200

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. This request will generate \$152,000 for the biennium in non-dedicated receipts to the General Fund.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: HEALTH CARE MANAGEMENT
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: MA/GAMC REIMBURSEMENT FOR NON-INSTITUTIONAL CARE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 135	4.0	\$ 125	4.0
General Fund (MA Grants)	\$2,224		\$4,410	
General Fund (GAMC Grants)	\$ 906		\$1,574	
Governor's Recommendation				
General Fund	\$ 135	4.0	\$ 125	4.0
General Fund (MA Grants)	-0-		-0-	
General Fund (GAMC Grants)	-0-		-0-	

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 256B

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to implement proposed legislation to allow the department to review and restructure the Medical Assistance/General Assistance Medical Care (MA/GAMC) reimbursement system for persons needing ambulatory care. As an interim measure, the department recommends a targeted increase in selected non-institutional services. Staff are also needed to maintain and modify systems when new procedures and service packaging occurs in the health care industry. Inefficient system maintenance may result in federal disallowances. This request is a part of a department initiative to provide more efficient and cost effective management of the MA/GAMC programs and comply with federal requirements.

DESCRIPTION/BACKGROUND:

The MA/GAMC fee-for-service reimbursement rates, except for long term care and hospital rates, are currently based on general formulas established by the Legislature. (Rates are currently based on the 50th percentile for 1982 prevailing charge rates). The internal department document to implement this rate methodology is the reference file, which contains nearly 86,000 procedure codes and rates. The reference file is in constant flux and needs review and restructuring to assure consistency, equity, accountability, and compliance with existing law, rule, and MA State plan procedures.

The federal Health Care Financing Administration (HCFA) reviewed the state's practitioner reimbursement for the period of 11-1-85 through 12-31-87. Significant federal disallowances are possible if the rate methodologies are determined to be contrary to federal regulations.

The department seeks to study a restructure of the pricing method on which

the reference file is based and to establish a reimbursement system for ambulatory care that recognizes changes in provider cost, new technologies and service delivery systems, the efficiency of volume contracts, and purchase of services in areas where a significant market share is enjoyed. The resulting system will control overall costs and provide appropriate and equitable incentives without diminishing access to services, and ensure that publically funded programs are cost efficient. Significant staff effort would be involved in such an effort.

In the interim, the department recommends a targeted increase in reimbursement rates for selected services where it is the department's experience that access is increasingly a problem, and which emphasize preventive care, primary care, and maternal and child health. A targeted increase to providers serves the short-term need of the department to maintain access for recipients to all services in the most cost-effective manner.

All ambulatory services purchased by the department are listed below in the categories of increases recommended:

Recommended for 15% increases effective 7-1-89:

Obstetrical uncomplicated delivery and prenatal care
 Dental diagnostic, emergency and routine preventive services

Recommended for 7.5% increases effective 7-1-89:

Physician and D.O. services:
 Office visits
 Critical care
 Pediatrics and newborn
 Internal medicine
 Other OB-GYN services
 Dental services:
 Restorative services
 Endotics
 Orthodontics
 Scheduled clinic services provided in the outpatient hospital setting
 Community mental health centers
 Family planning
 Public health clinics

Recommended for 3% increases effective 7-1-90:

Physician and D.O. services:
 Hospital visits
 Emergency room services
 Consultations
 Psychiatry
 Ophthalmology
 Surgery
 Orthopedics and Neurology
 Radiology
 Dental services:
 Radiographs
 Prosthodontics
 Oral surgery
 Outpatient hospital services other than scheduled clinic services
 Medical transportation
 Psychology
 Home health

CHANGE REQUEST

1990-91 Biennial Budget

____ Agency ____ Program X Activity
(Continuation)

ACTIVITY: HEALTH CARE MANAGEMENT
PROGRAM: HEALTH CARE
AGENCY: HUMAN SERVICES, DEPARTMENT OF

DESCRIPTION/BACKGROUND (Contd.):

Medical supplies
Rehabilitation services
Case management
Optometry
Chiropractic
Podiatry
Physical Therapy
Occupational Therapy
Speech Therapy
Audiology

Rates which are automatically adjusted yearly or otherwise negotiated separately are not included in the above recommendation. These services include:

Laboratory services billed by physicians and D.O.s
Independent laboratory and radiology
Nursing services
Pharmacy
Capitation
EPSDT

RATIONALE:

This request is necessary to provide a rational, efficient MA/GAMC reimbursement system so providers are willing to serve Minnesota recipients and prices are consistent with advances in technology and the health care industry. Adequate and understandable reimbursement policies will diminish provider dissatisfaction; thereby positively affecting eligible client access to health services.

The department has not had sufficient ability to use its full authority to volume purchase some services. The department currently purchases wheel-chairs, oxygen, eye glasses, and hearing aids through a competitive bid contract. Publicly funded programs enjoy a market share in other areas which could lead to significant savings through volume purchasing other services such as medical transportation. Staff to develop bid specifications, review bids, and monitor contract compliance would be cost effective. Providing the administrative ability to enforce volume purchase will, for example, allow the department to volume purchase non-ambulatory transportation for the disabled; thereby extending state transportation dollars administered by the regional transit board.

BASE: None.

(Dollars in Thousands)
F.Y. 1992 F.Y. 1993

LONG RANGE IMPLICATIONS:

General Fund Expenditures	\$ 125	\$ 125
General Fund (MA Grants)	\$ 4,631	\$ 4,862
General Fund (GAMC Grants)	\$ 1,653	\$ 1,736

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request for funding and positions to review and restructure the MA/GAMC reimbursement system for persons needing ambulatory care. The Governor does not support the agency's request for a targeted increase in payment rates for non-institutional services.

While the issue of access to services for recipients is vital, it is not clear that recipients are being denied service because reimbursement rates are inadequate. After a review and restructuring of the rates is completed, DHS should submit a proposal to increase rates to targeted provider groups in the 1991 session.

This request will generate \$98,000 for the biennium in non-dedicated receipts to the General Fund.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: HEALTH CARE MANAGEMENT
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: MA/GAMC PROVIDER COORDINATION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 45	1.0	\$ 44	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and position to attract and maintain adequate providers of MA/GAMC services and reduce erroneous billings to MA and GAMC programs. Regular training on program and billing standards and procedures and an up-to-date provider manual are proposed. This is part of a department initiative to provide efficient and effective administration of the Medical Assistance/General Assistance Medical Care (MA/GAMC) programs.

DESCRIPTION/BACKGROUND:

The department has produced a provider manual to disseminate MA policy. Dissemination of policy must be complemented with ongoing provider training and a timely response to policy inquiries. Historically, insufficient provider training has made it impossible to instruct the 15,000 providers on billing procedures and policy standards. Rejected claims delay payment, create unprocessed claim backlogs and contribute to the perceived complexity of the MA program.

RATIONALE:

The amount of provider reimbursement may be only one variable in determining a provider's willingness to participate in the MA/GAMC program. Promptness of payment, resolution of problems and perceived ease of doing business impact the decision to serve MA/GAMC eligible clients. Provider training and up-to-date policy materials would lessen administrative difficulty, increase accuracy and increase access. Improved service to health care providers who serve eligible low income people will help maintain an adequate network of MA/GAMC and Children's Health Plan providers.

BASE: None.

LONG RANGE IMPLICATIONS:

General Fund Expenditures

(Dollars in Thousands)
F.Y. 1992 F.Y. 1993

\$ 44 \$ 44

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor agrees that improved provider services enhance the effectiveness of the MA/GAMC programs but believes the department should handle the workload with its present staff.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: HEALTH CARE MANAGEMENT
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: PHONE-IN SYSTEM FOR PRIOR AUTHORIZATION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 149	2.0	\$ 146	2.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to manage a phone-in system for prior authorization. A phone-in system would establish a prior authorization process for Medical Assistance (MA) and General Assistance Medical Care (GAMC) providers that can accommodate multiple and same day response for certain approved services. This request is a part of a department initiative to provide more efficient and cost effective management of the MA and GAMC programs.

DESCRIPTION/BACKGROUND:

The department operates a prior authorization system to ensure that certain medical services, supplies, or equipment are reviewed for medical necessity and cost effectiveness before they are provided to eligible recipients. During the past year the system has been computerized to allow tracking the prior authorization requests, review of an individual's prior authorization history, and recovery of data to judge the effectiveness of the process.

However, even with the computerization of the process, delays in authorizing services occur because health care providers must mail in an authorization and wait for a written response. This process delays the provision of necessary services to eligible persons and often frustrates the health care providers who think the system creates unnecessary work and expense.

Most insurance companies require prior authorization for certain services. However, they frequently use a less paper intensive system by employing registered nurses to staff prior authorization phones and provide rapid response for approved services. Medical consultants would continue to be used to develop appropriate criteria and review complex cases before a response is issued.

RATIONALE:

The prior authorization system is an effective cost containment tool that permits prospective utilization review of services and appropriate payment of medically necessary services. "On-line" prior authorization of selected services will enhance recipient access to needed services, will reduce the providers' administrative expense and should favorably influence provider's use of the MA program. A phone system will expedite requests for enhanced obstetrical services for pre-natal services administered by the Children's Health Plan staff.

While not all services are conducive to a phone-in system, services not requiring extensive clinical documentation like medical transportation out of local area, approval of non-formulary drugs, or replacement of lost or broken eye glasses are amenable to such a system.

BASE: None.

LONG RANGE IMPLICATIONS:

General Fund Expenditures

(Dollars in Thousands)	
F.Y. 1992	F.Y. 1993
\$ 146	\$ 146

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. To the extent that this is a departmental priority, however, the department may choose to establish a small-scale project using present staff to demonstrate the effectiveness of a phone-in system.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: HEALTH CARE MANAGEMENT
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: LANGUAGE INTERPRETERS TO IMPROVE ACCESS AND APPROPRIATE USE OF HEALTH SERVICES

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
General Fund	\$ 170	-0-	\$ 240	-0-
Governor's Recommendation				
General Fund	\$ 170	-0-	\$ 240	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to allow reimbursement for bilingual paraprofessionals as an administrative cost funded by Medical Assistance (MA). This is part of the department initiative for refugees, strengthens MA program administration by increasing access to services, and supports the department's mental health initiative.

DESCRIPTION/BACKGROUND:

This request would provide grants to local health care providers to employ paraprofessional foreign language interpreters so refugees and other persons who speak little or no English can access health services. Grants can be administered by current refugee program staff. Federal MA matching funds at 50% federal financial participation are available.

In Minnesota there are approximately 55,000 persons of Asian-Pacific descent and about 10,000 of Hispanic origin. At least 35,000 of the Asian-Pacific population are recent arrivals with Cambodian, Hmong, Lao, and Vietnamese as primary languages. 50% of the Asian-Pacific population have been observed and reported to have very limited ability to converse in English about technical and complex personal matters. Likewise, 20% of the Hispanic population need interpreters to receive adequate health care services.

Many former refugees are beyond the period of federal reimbursement because they have been here more than 24 months and continue to need interpreter services.

RATIONALE:

Interpreter services are needed to ensure that symptoms and diagnoses are communicated properly. For example, children often learn English first and serve as interpreters for their families. Nine and 10 year old children may

be able to adequately explain a broken sink to a landlord or call 911 to report an emergency. However, to rely on children to instruct parents on the use of blood pressure medication, insulin or even the proper dosage of an antibiotic may be dangerous to the family member's health and may lead to additional and more expensive health care expenditures.

Of an equally critical nature, the provision of appropriate mental health services requires the ability of the client and the mental health service to explain clearly the presenting problems, concerns and interventions. The ability to communicate with the client is crucial to the delivery of appropriate, effective, mental health services. Significant numbers of non-English speaking persons in this state are experiencing mental health problems. In addition, even though varying degrees of English proficiency exist within the refugee and immigrant population, it has been found that often within a crisis situation one reverts back to their native language. Service providers may be misled by a refugee or immigrant's apparent competence in English to try to conduct assessment and treatment in English. Patients tend to answer questions whether they understand or not and the answers are much more abbreviated than they would be in the native tongue. Dimensions of cultural considerations, affect, and body language are often lost in a second language. Therefore, the likelihood of a correct diagnosis or successful treatment is unlikely.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	<u>(Dollars in Thousands)</u>	
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>
General Fund Expenditures	\$ 240	\$ 240

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. This request will generate \$155,000 for the biennium in non-dedicated receipts to the General Fund.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: HEALTH CARE MANAGEMENT
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: MANAGED CARE FOR VERY HIGH FREQUENCY MEDICAL ASSISTANCE AND GENERAL ASSISTANCE MEDICAL CARE UTILIZERS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 270	6.0	\$ 788	6.0
MA Grants	(-0-)		(1,062)	

Governor's Recommendation

General Fund	\$ 82	1.5	\$ -0-	-0-
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Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to implement proposed legislation to establish a program of managed care for certain noninstitutionalized Medical Assistance (MA) and General Assistance Medical Care (GAMC) recipients. This program is designed to reduce the program cost and improve the quality of care of very high frequency, high cost utilizers who are found to have substantial levels of inappropriate utilization.

The proposed managed care program would allow the department to contract with primary care physicians and physician groups selected by the department who would assume full responsibility for the medical and mental health care of up to 10 assigned patients per physician. These patients would receive care only from the contracted physicians or by specialists authorized by the contracted physicians following a comprehensive managed care plan developed by the primary care physician in consultation with a multispecialty physician panel of consultants to the department. The contracted physician would be reimbursed on a fee-for-service basis or as part of the department's capitated payment contract, plus monthly case management fee. Department staff would select patients into the program and contract with physician case managers and/or capitated payment organizations. Department staff would also monitor the implementation of managed care plans through a reporting system and, with the assistance of the multispecialty physician panel, intervene when deviations from these plans occur. Department staff would support the operation of the multispecialty physician panel and implement a phone-in system of prior authorization to expedite requests for many authorizations. The program would be implemented on 7-1-90 and would grow to manage the care of approximately 2,000 recipients.

DESCRIPTION/BACKGROUND:

During its 1988 session, the legislature requested the department to analyze

the incidence of high frequency, high cost utilization in various eligibility groups, determine the extent of inappropriate utilization in this segment of the population and, working with a task force on managed care, recommend appropriate interventions to reduce the incidence of inappropriate utilization among very high frequency, high cost noninstitutionalized clients. If continued as proposed, this research will permit staff to target individuals from the highest frequency and cost groups for selection into the managed care program.

As envisioned, the managed care program is designed to lock in these unusually expensive and difficult-to-treat patients with primary care physicians who are recognized as appropriate practitioners in order to provide increased continuity of care and greater management of care patterns. A substantial management fee is proposed in recognition of the exceptional level of effort these patients require on a daily basis. Physician case managers will be expected to develop managed care plans for each assigned patient in consultation with an expert multispecialty panel of physician consultants working for the department.

Department staff proposed for this program include 2.0 current staff associated with the Medicaid Demonstration project (scheduled to end 6-30-90) and the following additional staff:

1. A Programmer Analyst, who is responsible for systems support to provide reports and interface with department's payment system.
2. A Managed Care Plan Coordinator, to work with physicians and the multispecialty physician panel to develop individual care plans for recipients.
3. Utilization monitor physician coordinators (3.0 people), who would select clients and physicians to monitor the progress of care plan implementation by physician case managers and to support case managers with referrals to appropriate social services.
4. One clerical staff to provide coordination and staff support
5. Two registered nurses to manage the phone-in system for prior authorization.

RATIONALE:

This program results from the recognition of inappropriate utilization and the related high cost of one very difficult-to-treat segment of the MA and GAMC recipient population. It is necessary to control costs and to rationalize the care provided to this population. It is anticipated that overall costs will be reduced substantially for program participants despite the additional case management fee and other program costs. Research to date suggests that total medical and mental health care costs for this group of patients may be reduced by 1/3 or more. This level of savings is possible only with continued research to guide patient selection into the program and the authority to contract selectively with physicians as case managers. During the first year of operation (the second year of the biennium) program savings are expected to cancel out program start-up and cash flow costs. In subsequent years, however, savings of \$1.5 million (state share) or more are anticipated in 2,000 carefully selected recipients in a program costing less than that amount; more than a 2 to 1 margin.

This program is designed as a highly focused managed care intervention. A phase-in period is envisioned with rigorous evaluation after 2 full years of program operation and prior to broader application to other recipient groups.

CHANGE REQUEST
 _____ Agency _____ Program X Activity **1990-91 Biennial Budget**
 (Continuation)

ACTIVITY: HEALTH CARE MANAGEMENT
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

<u>PROGRAM EXPENSES</u> (Total costs, not state share):	<u>ANNUAL COST AT FULL IMPLEMENTATION</u>
Continued research to focus physician and recipient selection and evaluation	\$ 10,000
Programming/systems expense	40,000
Case Management fee (\$100 per person per month X 2,000 recipients)	2,400,000
DHS staff (6.0 additional staff)	178,000
Multispecialty physician panel (4.0 physicians at 4 hours per week X 52 weeks at \$60 per hour)	<u>50,000</u>
TOTAL	\$ 2,678,000

EXPECTED SAVINGS AT FULL IMPLEMENTATION:

Care costs at 2,000 recipients at current rates, without case management (\$10,000 per person per year)	\$ 20,000,000
Minimum anticipated savings (33% per person)	<u>6,600,000</u>
Annual net savings after program costs	\$ 3,922,000

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	<u>(Dollars in Thousands)</u>	
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>
General Fund Expenditures	\$ 1,299	\$ 1,339
General Fund (MA Grants)	(2,832)	(2,832)

GOVERNOR'S RECOMMENDATION:

After review of this activity, the Governor recommends an alternative funding level of \$82,000. Since the research needed to identify very high frequency users was not completed until December, 1988, the Task Force on Managed Care did not have adequate time to carefully consider the best way to structure a managed care program to treat this problem. The Governor believes that the present proposal could be substantially strengthened by giving DHS and the Task Force more time to develop its proposal. The Task Force should have its recommendation prepared for the Governor by November, 1989.

This request will generate \$41,000 for the biennium in non-dedicated receipts to the General Fund.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: HEALTH CARE MANAGEMENT
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: MEDICARE LEGISLATION: MA SERVICES IN SCHOOL DISTRICTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 100	-0-	\$ 100	-0-
Governor's Recommendation				
General Fund	\$ 100	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to implement recent federal Catastrophic Health Act requirements that Medical Assistance (MA) reimburse MA covered health services which are part of a child's individual education plan and provided to a MA eligible child. This change in federal law means that school districts who bill other third party payers may also bill MA for covered services provided to MA eligible children. Rehabilitation therapists and other service providers under contract to school districts will also be billing the MA program. This is a part of a department initiative to strengthen MA program administration to improve federal compliance, and increase access to services.

DESCRIPTION/BACKGROUND:

The department needs staff to establish appropriate service codes, establish payment rates, standards and criteria (including prior authorization) for covered services so school districts can enroll as MA providers. The department must develop procedural safeguards to prevent duplication between school districts and other enrolled providers, promulgate a rule and prepare relevant manual parts. In addition, school districts, which are unaccustomed to health care invoicing, will need provider training.

RATIONALE:

Federal dollars can be used to replace state dollars in school districts for health services to MA eligible children with special needs.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 100	\$ 100

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation includes the requested funding for F.Y. 1990 but does not provide funding for F.Y. 1991. The Governor believes the administrative system needed to implement the federal Catastrophic Health Act can be fully put in place in F.Y. 1990.

This recommendation will generate \$38,000 for the biennium in non-dedicated receipts to the General Fund.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: HEALTH CARE MANAGEMENT
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: CASE MANAGEMENT FOR PERSONS WITH AIDS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 500	-0-	\$ 500	-0-
Governor's Recommendation				
General Fund	\$ 500	-0-	\$ 500	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to provide case management as a Medical Assistance (MA) administrative cost for persons with Acquired Immune Deficiency Syndrome (AIDS) and AIDS related conditions. This is part of the department initiative to effectively and efficiently administer the MA Program.

DESCRIPTION/BACKGROUND:

The state currently has a contract with the Minnesota AIDS Project for case management for MA recipients with a diagnosis of AIDS. To date, a total of 100 MA clients have received case management services. There are approximately 70 MA clients now receiving case management services. Direct savings to MA because of case management have amounted to more than \$250,000 per year. Based on experience over the previous year, it is anticipated that refinements to the present case management system and an increased number of diagnosed AIDS patients, will result in even higher cost savings in future years.

Present funding for the MA case management contract comes from MA grant funds even though the contract is structured under the federal administrative option for case management. This request is a transfer from the MA grants account to the MA administrative account.

DHS estimates that approximately 40% of persons with AIDS receive MA. The Minnesota Department of Health (MDH) has projected a 300% increase in the number of persons diagnosed with AIDS by the end of 1990. This would indicate that there will be an increasing number of AIDS patients and with the treatment now available, an increasing proportion will live longer. Service demand should increase.

RATIONALE:

There is evidence that early intervention for both AIDS patients and symptomatic HIV positive patients can result in the patient requiring less intensive and less frequent use of high cost medical services. Additionally, there is evidence to suggest that individuals with AIDS or AIDS related health problems can be prevented from deteriorating as quickly or from requiring expensive inpatient hospital services when such issues as adequate housing, stable support systems, and mental health are addressed in a comprehensive, cohesive and coordinated fashion.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	<u>(Dollars in Thousands)</u>	
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>
General Fund Expenditures	\$ 500	\$ 500

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. This request generates \$500,000 for the biennium in non-dedicated receipts to the General Fund.

ACTIVITY: MA GRANTS
Program: HEALTH CARE
Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

To reimburse providers for health care services delivered to eligible program recipients.

ACTIVITY DESCRIPTION:

Medical Assistance (MA) is the program authorized under Title XIX of the Social Security Act to provide health care services to eligible low income individuals and families. Most recipients of Aid to Families with Dependent Children (AFDC), Minnesota Supplemental Aid (MSA), and Social Security Supplemental Income (SSI) are eligible for MA. Eligibility is also available to the elderly, disabled, blind, families and children under 21 years of age if income and assets are within standards. Pregnant women and infants under age 1 are eligible under a higher income standard and no asset test. Certain disabled children who are at risk of institutionalization but reside at home are also eligible based on their individual income and assets rather than that of their parents.

Persons with excess income may qualify through the spenddown provisions by incurring sufficient medical bills. Payments are made directly to health care providers, not to MA clients. Currently the federal share is 53.98%, county share 4.60% and state share 41.42%. Effective 1-1-90, the county share will be absorbed by the state.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Average number of recipients per month	161,783	167,796	171,136	173,809
Average expenditure per recipient per month:				
Institutional recipients	\$ 1,876	\$ 2,011	\$ 2,161	\$ 2,299
Non-institutionalized recipients	\$ 280	\$ 307	\$ 339	\$ 369

LEGISLATIVE ISSUES:

The department will present legislative initiatives regarding:

1. MA/GAMC reimbursement for non-institutionalized care.
2. Medicare Catastrophic legislation requirement.
3. Institutions for Mental Diseases (IMD).
4. MA coverage of children's mental health services.

FEDERAL ISSUES:

The Omnibus Budget Reconciliation Act of 1987 and the Medicare Catastrophic Coverage Act of 1988 provide federally required changes to the Medicaid and Medicare programs that affect MA eligibility and Medicare/Medicaid covered services.

The Medicare Catastrophic Act of 1988 mandated changes in:

1. MA asset and income allocations for spouses of institutionalized individuals.
2. MA transfer of asset requirements.
3. Medicare covered drug benefits.
4. MA eligibility for Medicare buy-in recipients.
5. Medicare covered services.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity except for the changes detailed on the following change pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : HEALTH CARE
BUDGET ACTIVITY : MA GRANTS

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
AIDS TO INDIVIDUALS	1,192,142	1,294,789	1,372,162	2,730	1,374,892	1,371,562	1,470,579	10,040	1,480,619	1,473,436
LOCAL ASSISTANCE	1,997	900	900	0	900	900	900	0	900	900
TOTAL EXPENDITURES	1,194,139	1,295,689	1,373,062	2,730	1,375,792	1,372,462	1,471,479	10,040	1,481,519	1,474,336
CHANGE REQUESTS:										
B NURSING HOME REFORM ACT - MH GEN				<306>		<306>		<974>		<974>
ALTERNATIVES										
B RTC PER SERVICE CHARGE GEN				<25>		<25>		<75>		<75>
B MA/GAMC REIMB. FOR NON-INSTITUTION CARE GEN				2,224		0		4,410		0
B ELIG ASSET LIMIT - FED COMPLIANCE GEN				1,553		1,479		1,652		1,575
B MEDICARE CERTIFICATION-SKILL NURS FACIL GEN				<269>		<269>		<337>		<337>
B NURSING HOME PENSION PASS-THRU DELETION GEN				<400>		<400>		0		0
B NURSING HOME REFORM ACT GEN				800		600		800		600
B DELAY IMPLEMENT DAY TRNG/HABILITATION SY GEN				<151>		<151>		0		0
B CAST METAL DENTAL RESTORATIONS GEN				139		0		195		0
B MA COVERAGE OF CHILDREN'S M.H. SERVICES GEN				0		0		1,548		1,500
B INCREASE AFDC GRANT GEN				591		0		1,424		0
B GA/SSI CONVERSION PROJECT GEN				503		503		546		546
B CASE MANAGEMENT FOR BRAIN INJURED GEN				<337>		<337>		<521>		<521>
B MODIFICATION TO HOSPITAL REIMB. SYSTEM GEN				0		<679>		1,595		<1,080>
B TRANSFER FROM MA FOR ICF-CD PROG GEN				<288>		<288>		<300>		<300>
B SUPPORT QUALITY IMPROVEMENT ACTIVITIES GEN				<231>		<231>		<214>		<214>
B AUTOMATION FOR IMPROVED QUALITY GEN				<341>		0		<556>		0
B ENHANCED NUTR. CONTENT MEALS & MENU VAR. GEN				<353>		<353>		<332>		<332>
B ENHANCED NUTR. CONTENT MEALS & MENU VAR. GEN				<32>		<32>		<32>		<32>
B FUNDING SALES TAX PAYMENTS & REG. FEES GEN				<171>		0		<163>		0
B FUNDING SALES TAX PAYMENTS & REG. FEES GEN				<65>		0		<65>		0
B DISPOSABLE BRIEFS-INCONTINENT PATIENTS GEN				<542>		<542>		<523>		<523>
B DISPOSABLE BRIEFS-INCONTINENT PATIENTS GEN				<330>		<330>		<330>		<330>
B IMPLEMENT UNIVERSAL PRECAUTION INFECTION GEN				<256>		<256>		<245>		<245>
B IMPLEMENT UNIVERSAL PRECAUTION INFECTION GEN				<122>		<122>		<114>		<114>
B SERVICE AND REVENUE RECOVERY PROJECT GEN				<80>		<80>		<95>		<95>

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : HEALTH CARE
BUDGET ACTIVITY : MA GRANTS

CHANGE REQUESTS:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
B ELIG ASSET LIMIT-CHILDREN	GEN			35		35		95		95
B RTC NEGOTIATIONS - TARGETING WAIVER	GEN			0		0		128		128
B MANAGED HEALTH CARE	GEN			0		0		<1,062>		0
B RTC NEG - MA GRANTS/RTC CTS/RTC	GEN			<463>		<463>		<4,424>		<4,424>
B RTC NEG - CTS / SOCS	GEN			0		0		3,240		3,240
B RTC NEG - CTS / RTC	GEN			921		921		10,150		10,150
B RTC NEG - CTS/SOCS	GEN			0		0		<7,779>		<7,779>
B RTC NEG - OAK TERRACE REDUCTION	GEN			726		726		2,398		2,398
TOTAL CHANGE REQUESTS				2,730		<600>		10,040		2,857
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	334,067	389,094	434,507	2,730	437,237	433,907	478,060	10,040	488,100	480,917
STATUTORY APPROPRIATIONS:										
GENERAL	214,281	216,863	213,304	0	213,304	213,304	217,361	0	217,361	217,361
FEDERAL	645,791	689,732	725,251	0	725,251	725,251	776,058	0	776,058	776,058
TOTAL FINANCING	1,194,139	1,295,689	1,373,062	2,730	1,375,792	1,372,462	1,471,479	10,040	1,481,519	1,474,336
POSITIONS BY FUND:										
TOTAL POSITIONS										

MA GRANTS
FORECAST INFORMATION

This table shows historical Medical Assistance caseload and total expenditures, with projections for FY 1989 - 1991.

<u>Fiscal Year</u>	<u>Monthly Average Recipients</u>	<u>Monthly Average Payments</u>	<u>Total Annual Payments</u>	<u>Federal Share</u>	<u>State Share*</u>	<u>County Share</u>
1986	163,177	\$531.42	\$1,040,583,131	\$555,025,270	\$437,065,729	\$48,492,132
1987	160,249	576.17	1,107,972,509	593,876,412	463,308,948	50,787,149
1988	161,783	612.49	1,189,083,969	642,149,160	492,951,877	53,982,932
PROJECTED						
1989	167,796	\$635.55	\$1,279,700,940	\$682,080,601	\$537,858,305	\$59,762,034
1990	171,136	668.60	1,373,062,092	725,251,397	583,029,625	64,781,069
1991	173,809	705.51	1,471,479,597	776,058,339	625,879,132	69,542,126

* Before crediting collections from State Regional Treatment Centers and State nursing homes.

The State share of MA expenditures is funded in part by collections from State Regional Treatment Centers and nursing homes, which are dedicated receipts deposited in the State MA account. The following table shows how this affects the General Fund appropriation required for MA.

<u>Fiscal Year</u>	<u>Gross State Share</u>	<u>Collections</u>	<u>Net State Share</u>
1986	\$437,065,729	\$144,450,903	\$292,614,826
1987	463,308,948	143,329,366	319,979,582
1988	492,951,877	159,171,400	333,780,477
PROJECTED			
1989	\$537,858,305	\$155,046,000	\$382,812,305
1990	583,029,625	148,523,000	434,506,625
1991	625,879,132	147,819,000	478,060,132

FORECAST INFORMATION (Contd.)

	<u>FY 1990</u>	(Thousands)	<u>FY 1991</u>
Inpatient hospital costs	\$ 1,206		\$ 5,398
Prescription drug costs	1,888		3,375
Physicians costs	1,793		2,490
Rehabilitation service costs	1,109		2,436
Med. supplies costs	754		1,603
Medicare buy-In	669		1,550
Nursing services costs	716		1,283
Capitation costs	496		1,268
Psychology costs	695		1,004
Services to school districts	1,261		1,891
AIDS and ARC costs	588		1,261
Other changes	(89)		271
Total (Gross State Share)	\$583,030		\$625,879
Change in gross State share compared to FY 1989	\$ 45,171		\$ 88,021
Projected collections	\$(148,523)		\$(147,819)
Net State share cost for FY 1990 and FY 1991	\$434,507		\$478,060
Change in net State share compared to FY 1989	\$ 51,694		\$ 95,248

MA GRANTS
 FORECAST INFORMATION
 COST PROJECTIONS BY CATEGORY OF SERVICE
 WITH PROJECTED INCREASE OVER FY 1989 COSTS
 (Thousands of Dollars: State Funds Only)

	Projected FY 1990	FY 1990 Increase over FY 1989	Projected FY 1991	FY 1991 Increase over FY 1989
Nursing Homes	\$ 206,060	\$ 7,356	\$ 215,003	\$ 16,299
Therapies in Nursing Homes	4,634	47	4,642	55
ICF/MR	52,270	3,843	56,472	8,045
Devel. Achievement Centers	11,597	1,566	13,283	3,252
MR Waiver	25,798	7,877	32,541	14,620
Disabled Waiver	3,635	2,233	5,214	3,812
Chronically Ill Waiver	2,371	837	3,216	1,682
State Reg. Tr. Center DD	41,527	(110)	41,380	(257)
State Reg. Tr. Center MI-CD	5,949	378	6,305	734
Inpatient Hospital	78,611	4,044	84,880	10,313
Outpatient Hospital	13,938	1,763	14,692	2,517
Mental Health	2,915	268	3,088	441
Physicians	31,332	3,304	32,842	4,814
Dental	6,886	772	7,237	1,123
Psychology	4,611	1,036	5,272	1,697
Home Health	4,312	403	4,717	808
Nursing Services	4,989	767	5,572	1,349
Rehabilitation Serv.	6,839	1,179	8,194	2,533
Prescription Drugs	26,970	2,769	29,042	4,841
Med. Supplies	7,018	984	8,043	2,009
Med. Transportation	5,292	639	5,931	1,278
Capitation	15,417	956	16,492	2,032
Case Management	3,763	296	3,770	302
Other Practitioners	3,285	658	3,645	1,018
Other Services	2,763	112	2,829	178
Medicare Buy-In	3,790	708	4,688	1,605
Recipient Recoveries	(7,983)	(502)	(8,422)	(940)
Recoveries (to General Fund)	14,437	987	15,312	1,863
Total	\$583,030	\$ 45,171	\$625,879	\$ 88,021
Projected Collections	(\$148,523)		(\$147,819)	
Net State share cost	\$434,507		\$478,060	

**MA GRANTS
FORECAST INFORMATION**

This table shows MA expenditures, by category of service, from FY 1986 to FY 1989 (projected).

State Share of MA Expenditures (000's)

	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>	<u>FY 1989</u>
Nursing Homes	\$186,664	\$191,393	\$187,128	\$198,705
Therapies in Nursing Homes	8,679	8,148	5,530	4,587
ICF/MR	45,189	45,330	46,053	48,427
Devel. Achievement Centers	7,555	8,402	8,808	10,031
MR Waiver	2,165	4,819	10,863	17,921
Disabled Waiver	0	0	2	1,402
Chronically Ill Waiver	0	258	710	1,534
State Reg. Tr. Center DD	40,653	39,783	44,144	41,637
State Reg. Tr. Center MI-CD	5,157	5,467	5,245	5,571
Inpatient Hospital	51,969	52,203	76,564	74,567
Outpatient Hospital	8,718	11,112	10,710	12,176
Mental Health Centers	1,930	2,253	2,335	2,647
Physicians	23,314	27,413	25,518	28,028
Dental	5,636	6,686	5,737	6,114
Psychology	2,328	2,703	2,617	3,575
Home Health	3,183	3,293	3,538	3,909
Nursing Services	2,883	3,248	3,570	4,223
Rehabilitation Serv.	2,036	2,061	3,78	5,660
Prescription Drugs	18,946	19,880	21,117	24,201
Med. Supplies	3,942	4,307	4,945	6,035
Med. Transportation	3,058	3,558	3,895	4,653
Capitation	4,542	11,403	12,737	14,460
Case Management	0	0	0	3,467
Other Practitioners	1,652	2,039	1,970	2,627
Other Services	1,441	1,558	1,532	2,651
Medicare Buy-In	1,581	1,775	2,288	3,083
Recipient Recoveries	(6,051)	(6,727)	(6,981)	(7,481)
Recoveries (to General Fund)	8,600	10,136	13,764	13,450
Residual (SWA minus Stat. Series)	1,294	809	(5,167)	0
Total	\$437,066	\$463,309	\$492,952	\$537,858
Collections	(\$144,451)	(\$143,329)	(\$159,171)	(\$155,046)
Net State share cost	\$292,615	\$319,980	\$333,781	\$382,812

FORECAST INFORMATION

This table shows the projected increases in MA expenditures under current law, compared with projected FY 1989 expenditures. These figures do not represent the full cost of program changes implemented in FY 1989 or earlier, only the increment over the FY 1989 costs. These increases do not include change requests included in this budget. They include only projected costs under current law.

	<u>FY 1990</u>	(Thousands)	<u>FY 1991</u>
Projected FY 1989 State share cost:	\$537,858		\$537,858
<u>Projected Increases Under Current Law</u>			
Federal share reduced from average 53.30% in FY 1989	\$ 5,932		\$ 7,416
Nursing home rates: inflation and wage adjustment	12,458		24,262
Nursing home rates: acuity of residents	1,212		2,522
Nursing home caseload	(6,218)		(9,450)
Nursing home: Medicare catastrophic bill	(2,183)		(3,563)
Disabled waiver (would otherwise be NH costs)	2,197		3,751
ICF/MR rates, excl. new devel. at higher rates	2,551		4,743
New ICF/MR development	763		2,639
MR waiver caseload and rates	7,616		14,237
DAC rates	1,204		2,562
DAC caseload	245		533
State Reg. Tr. Center DD caseload reduction	310		229
Chron. ill waiver (would otherwise be inp. hospital costs)	813		1,644
Income stand. at 133% for fam. and children	572		1,185
Preg. women and children under 185% of poverty	3,924		6,845
Disabled children living at home	504		860
Income disregards and personal needs allowance	917		1,206
AFDC-MA caseload increase	1,269		2,569

CHANGE REQUEST 1990-91 Biennial Budget
 _____ Agency _____ Program X Activity

ACTIVITY: MA GRANTS
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: ELIGIBILITY ASSET LIMIT CHANGES--FEDERAL COMPLIANCE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$1,553	-0-	\$1,652	-0-
Governor's Recommendation				
General Fund	\$1,479	-0-	\$1,575	-0-

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 256B.06, Subd. 1

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to implement a federally required change to the asset limits of the Medical Assistance (MA) program. The change will restore separate exclusions for burial contracts and the cash surrender value of life insurance to comply with federal regulations which require that states like Minnesota, which opt to be 209(b) states, be no more restrictive than they were in 1972.

DESCRIPTION/BACKGROUND:

Minnesota's current asset limits include the cash surrender value of life insurance and the value of prepaid burials. In 1972, the state excluded the cash surrender value of life insurance and the value of prepaid burials. Thus, federal administrators may interpret current state policy as more restrictive than 1972 state policy.

The department seeks to allow separate exclusions, as allowed in 1972, for:

1. \$1,000 cash surrender value of life insurance for each applicant and spouse; and
2. a prepaid burial contract of at least \$750 plus \$200 interest for each member of the household.

The department seeks these exclusions as additions to the current asset maximums.

RATIONALE:

A change to the current asset limit for burials and life insurance is required to avoid federal sanctions and state plan disallowances.

BASE: None.

LONG RANGE IMPLICATIONS:

General Fund Expenditures

(Dollars in Thousands)
 F.Y. 1992 F.Y. 1993

\$ 1,193 \$ 881

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to restore an exclusion for burial contracts and life insurance in the MA program. However, DHS now advises that compliance with MA federal regulations can be achieved by using the burial contract and life insurance exclusion of the Supplemental Security Income (SSI) program. SSI provides for a \$1,500 exclusion of any combination of life insurance (face amount) and burial funds. This exclusion was applied to the Minnesota Supplemental Assistance (MSA) program as of 2-1-88. The Governor, therefore, recommends use of the MSA/SSI burial and life insurance exclusion for the MA program to ensure uniformity of standards across programs.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MA GRANTS
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: ELIGIBILITY ASSET LIMIT CHANGES -- CHILDREN

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 35	-0-	\$ 95	-0-
Governor's Recommendation				
General Fund	\$ 35	-0-	\$ 95	-0-

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 256B.06, Subd. 1

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to implement a change to the asset limits on the Medical Assistance (MA) program to allow children under age 8 to become eligible for MA if family income is within the state's standards without considering the value of the family's assets.

DESCRIPTION/BACKGROUND:

Federal law allows states the option to not consider a family's assets when determining MA eligibility of children under age 8 whose income is below the federal poverty level. Minnesota does not use an asset test in the eligibility determination for pregnant women and infants. The department recommends that this federal option be extended for children up to age 8.

RATIONALE:

Eliminating the asset requirement will assure that all possible categories of low income children receive MA rather than the state funded children's health plan and that eligibility determinations for MA are performed as quickly as possible. Families with incomes below the MA income level are unlikely to have extensive assets and documentation of assets adds to the work load of the local social service agency.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	<u>(Dollars in Thousands)</u>	
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>
General Fund Expenditures	\$ 95	\$ 95

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. This request is a component of the Governor's Initiative on Children.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MA GRANTS
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: CASE MANAGEMENT OF BRAIN INJURED: PROGRAM SAVINGS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ (337)	-0-	\$ (521)	-0-
Governor's Recommendation				
General Fund	\$ (337)	-0-	\$ (521)	-0-
Request requires statutory change: <u> X </u> Yes _____ No				
Statutes Affected: M.S. 256B.02 subd. 8u				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above decrease in funds as a result of program legislation it will propose to repeal M.S. sec. 256B.02, subd. 8.u. which allows for provision of case management to brain injured persons as an optional service under Medical Assistance (MA). To replace this service, the department proposes to substitute an administrative case management system for MA home care clients, including the brain injured. This proposal is provided under the long term care activity titled Case Management (CM) For Nonwaiver Home Care Services. This request is part of the department initiative to provide effective and efficient administration of the MA program.

DESCRIPTION/BACKGROUND:

Federal guidelines for case management provided as a state plan service option do not allow states to use case management to ensure cost effectiveness of services. Only "access" services can be provided. The state may not limit providers of case management to agencies designated by the state. The state must enroll all providers meeting the qualifications. All assessment and prior authorization functions remain a state responsibility.

It has been difficult to reach a consensus on the precise definition of the intended brain injured or brain impaired population to be served. Similar populations, including Alzheimer patients, need case management and are excluded under the current legislation.

Case management, when provided by health professionals as an MA administrative function, could generate 75% federal financial participation (FFP) rather than the 53% generated as a program option. The substitute proposal maximizes FFP, provides a more useful model of case management, and serves additional persons while still meeting the needs of the brain injured.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number of Brain Injured	5,757	6,557	7,357	8,157
Number of Brain Injured on MA entitled/receiving case management	-0-	-0-	656	736

RATIONALE:

Case management as a MA state plan service option is not a useful tool for managing growing home care costs and the complex issues related to provision of home care. An alternative case management proposal, which includes the brain injured population, is proposed in place of the current requirement. While case management for brain injured persons is needed, the department believes it can be better provided as an administrative service. The new proposal generates 75% FFP rather than the 53% received under MA services.

BASE: None.

LONG RANGE IMPLICATIONS:

(Dollars in Thousands)
 F.Y. 1992 F.Y. 1993

General Fund Expenditures	\$ (573)	\$ (630)
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GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST 1990-91 Biennial Budget
 _____ Agency Program _____ Activity

ACTIVITY: MA GRANTS
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: NURSING HOME PENSION PASS-THROUGH DELETION

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
General Fund	\$ (400)	-0-	\$ -0-	-0-
Governor's Recommendation				
General Fund	\$ (400)	-0-	\$ -0-	-0-

Request requires statutory change: Yes _____ No
 Statutes Affected: M.S. 256B.431 subd. 21(d)

STATEMENT OF REQUEST/OBJECTIVE:

The department has identified the above funding reduction as a result of proposed legislation to delete the nursing home pension pass-through. The objective of this legislation is to eliminate potential implementation problems such as extensive modification to the computerized rate setting system, difficulty in cost reporting, and desk audit concerns about allow-ability. This change request is a part of a department Medical Assistance initiative to strengthen and stabilize program administration of the nursing home reimbursement system and reduce costs to the state of approximately \$400,000.

DESCRIPTION/BACKGROUND:

The 1988 Legislature made a number of changes in statutes pertaining to long term care reimbursement for nursing homes. The cost limits were raised in both the care and operating cost categories. By allowing pension costs to be reimbursed outside of cost limits, the effect is to further raise limits. The cost limits currently in place were established taking pension costs into account and are higher than they would be had pension costs been passed-through initially in the base year.

In addition, special treatment of pension costs for a select group is unfair to those facilities that chose a compensation package that did not include a pension plan but may have included other wage and benefit packages. The savings is a one-time savings only since the limits are to be rebased in 1991.

RATIONALE:

The savings projected result from deletion of this provision. If the provi-sion was changed to cover only contributions to the public employees retire-ment plan, the resulting savings would be significantly less than indicated.

BASE: None.

LONG RANGE IMPLICATIONS: None.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MA GRANTS
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: NURSING HOME REFORM ACT: NURSING HOME RATE ADJUSTMENTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 800	-0-	\$ 800	-0-
Governor's Recommendation				
General Fund	\$ 600	-0-	\$ 600	-0-
Request requires statutory change: <u> X </u> Yes _____ No				
Statutes Affected: M.S. 256B.431				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to implement program activities required by the Nursing Home Act portions of the Omnibus Budget Reconciliation Act of 1987 (OBRA '87). This change request is part of the department's Medical Assistance initiative to strengthen program administration and improve federal compliance.

DESCRIPTION/BACKGROUND:

To participate in the medical assistance program, Title XIX of the Social Security Act requires that each state implement changes in the way nursing facilities are managed and operated. OBRA '87 mandates sweeping changes in the way the nursing home care is managed and provided by the federal government, by states, and by facilities. These changes are to be phased in from 1988 to 1993, with most being implemented in 1990. The federal distinction between skilled nursing facilities (SNFs) and intermediate care facilities (ICFs) will be eliminated. Additional training for nursing assistants and preadmission screening and active treatment for all mentally retarded and mentally ill residents is required.

The department has formed work groups to analyze OBRA '87 to ascertain required changes and design work plans to implement those changes. The Interagency Board of Quality Assurance is coordinating the analysis and implementation. This effort has been hampered by the absence or lack of timely federal guidelines. Therefore, the full effect of this legislation is still being determined. Numerous state plan amendments are required including one due by 4-1-90, assuring appropriate adjustments in payments for nursing facility services effective 10-1-90.

RATIONALE:

It appears that some adjustment of nursing home rates is required by OBRA '87, particularly to upgrade ICF facilities so they can maintain certifica-

tion. Compliance with requirements of OBRA '87 is a condition of MA state plan approval.

BASE: None.

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 800	\$ 800

GOVERNOR'S RECOMMENDATION:

After review of this activity, the Governor recommends a reduced funding level of \$1,200,000. This reduction reflects the most recent information available from the federal Health Care Financing Agency (HFCA), the overseer of the implementation of OBRA '87. More of Minnesota's nursing homes already meet the emerging requirements for licensed nurses coverage and social worker coverage than had originally been anticipated.

CHANGE REQUEST 1990-91 Biennial Budget
 _____ Agency _____ Program X Activity

ACTIVITY: MA GRANTS
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: DELAY IMPLEMENTATION OF DAY TRAINING AND HABILITATION REIMBURSEMENT SYSTEM

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ (151)	-0-	\$ -0-	-0-
Governor's Recommendation				
General Fund	\$ (151)	-0-	\$ -0-	-0-

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 252.46

STATEMENT OF REQUEST/OBJECTIVE:

The department anticipates the above savings due to implementation of a legislative proposal to change the effective date of the new day training and habilitation rate setting rules from 1-1-90 to 1-1-91. The delay would allow for implementation of a pilot rate setting project and for evaluation of the pilot system before implementation of new statewide rules. The 1988 Legislature authorized the department to establish the pilot project. This request is a part of the department's Medical Assistance (MA) initiative to strengthen program administration and improve compliance with state legislative mandates.

DESCRIPTION/BACKGROUND:

M.S. sec. 252.46 mandates implementation of a new day training and habilitation reimbursement system in 1990 and authorizes the department to pilot the system before implementation. The department is under pressure from provider groups to pilot the new system before statewide implementation. The pilot will allow the department to modify this new approach to rate setting based on concrete experience. It will give providers a chance to better understand and have input into the system prior to statewide implementation.

Because implementation of the new rate setting system is proposed to be delayed until 1991 for the pilot project, M.S. sec. 252.46 needs to be amended to extend the interim payment rate procedures until 1991. However, department staff also believe it is important to allow existing programs to convert their services to community integrated and supported employment services. Currently, the rate variance procedure requires that counties relate requested rate changes only to licensing violations. Therefore, the department also requests amendment of M.S. sec. 252.46, subd. 6(3) to expand the commissioner's authority to grant a variance to rate limits up to 125% of the statewide median rates to include those costs necessary to implement program changes when approved by the commissioner, after the county submits a

recommended change in determination of need for existing services.

RATIONALE:

The delay in implementation of the new system because of the pilot project will result in program savings. The expansion of the variance is requested to allow programs to offer community integrated and supported employment services in existing day training and habilitation programs during 1990, prior to implementation of the new system. These services would have been part of the new system which will now be delayed until 1991.

BASE: None.

LONG RANGE IMPLICATIONS: None.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MA GRANTS
 PROGRAM: HEALTH CARE MANAGEMENT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: CAST METAL DENTAL RESTORATIONS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 139	-0-	\$ 195	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 265B.02

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to implement a legislative proposal to allow payment for cast metal dental restorations if the provision of a fixed crown or bridge is the most cost effective restoration available to meet the person's dental needs. This is a department initiative to provide effective and efficient administration of the Medical Assistance (MA) program.

DESCRIPTION/BACKGROUND:

The MA program provides a comprehensive medical care program for the eligible population.

Cast metal dental restorations, fixed crowns and bridges, were excluded from payment under MA/General Assistance Medical Care (GAMC) by statute in 1981.

RATIONALE:

Cast metal restorations may be the most appropriate procedure for some persons. For example, the physical or mental impairment of some clients inhibits their participation in dental hygiene activities which are necessary if less expensive alternatives to cast metal restorations are supplied. In such cases, metal crowns, and bridges, although more expensive, represent a cost effective service. A fixed bridge may also be safer than a removable prosthesis which may be lost or swallowed by some persons.

BASE: None.

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 195	\$ 195

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor is not proposing any service expansions in the Medical Assistance program.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MA GRANTS
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: MA COVERAGE OF CHILDREN'S MENTAL HEALTH SERVICES

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
General Fund	\$ -0-	-0-	\$1,548	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$1,500	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to develop and provide professional family based treatment programs in every county throughout the state by 9-1-90. This is a part of the department's Children's Initiative.

DESCRIPTION/BACKGROUND:

The system of care which exists in the state to address the mental health needs of children is incomplete and uncoordinated. Services are piecemeal, located sporadically around the state and do not include some of the less restrictive options proven to be effective with emotionally disturbed children. One option which is especially lacking is a comprehensive system of professional family based treatment programs for emotionally disturbed children.

The department proposes to expand outpatient mental health coverage under medical assistance (MA) to provide professional family based treatment in the homes of children who are seriously emotionally disturbed.

RATIONALE:

These services are the cornerstone of the children's mental health initiative. Initially, the department planned to request 100% state funding for these services. However, federal law now enables MA eligibility for almost all children who need this service.

The alternative for seriously emotionally disturbed children, who cannot be maintained in the family home, is placement in a residential facility for emotionally disturbed children. Since counties now pay for most residential treatment for children through the Community Social Services Act, this initiative may result in significant savings to counties.

Delayed implementation to 9-1-90 permits necessary program development and

rule changes.

BASE: None.

LONG RANGE IMPLICATIONS:

(Dollars in Thousands)

F.Y. 1992 F.Y. 1993

General Fund Expenditures

\$ 1,500 \$ 1,500

GOVERNOR'S RECOMMENDATION:

The Governor recommends a funding level of \$1,500,000 for Children's Mental Health Services. This request is a component of the Governor's Initiative on Children.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MA GRANTS
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: MODIFICATION TO THE HOSPITAL REIMBURSEMENT SYSTEM

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ -0-	-0-	\$1,595	-0-
Governor's Recommendation				
General Fund	\$ (679)	-0-	\$(1,080)	-0-

Request requires statutory change: X Yes _____ No
 Statutes Affected: 256.969

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to implement changes to the hospital reimbursement system.

DESCRIPTION/BACKGROUND:

In 1985, the department introduced a diagnostic related group (DRG) payment system for acute care hospitals. Over the last 3 years, several problems have been identified. These include inequities in the DRGs, a property rate that is not prospective, out-of-date base year costs, and an inappropriate inflation index. In addition, the department must change its method of computing the disproportionate share to conform to federal method.

RATIONALE:

With limited resources, the department must balance the needs of the clients while removing the inequities of the hospital payment systems. Also, the department must change its method of computing disproportionate shares so that the federal government will not disallow medical assistance payments to hospitals.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	<u>(Dollars in Thousands)</u>	
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>
General Fund Expenditures	\$ 1,595	\$ 1,595

GOVERNOR'S RECOMMENDATION:

After review of this activity, the Governor recommends an alternative funding level of \$(1,759,000) for the biennium. The Governor proposes to phase-in the Disproportionate Population Adjustment according to the schedule mandated by the federal Omnibus Budget Reconciliation Act of 1987 and to eliminate the 1% technology inflation factor that is presently added onto the base rates. Since the current inpatient rates are based upon hospital specific costs plus full inflation, it is duplicative to add another 1% for technology inflation.

ACTIVITY: MA DEMONSTRATION PROJECT 1990-91 Biennial Budget
 Program: HEALTH CARE
 Agency: HUMAN SERVICES, DEPARTMENT OF

ACTIVITY OBJECTIVE:

To demonstrate the cost containment effectiveness of prepayment reimbursement systems for the Medical Assistance (MA) program.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
MA dollars saved	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600

ACTIVITY DESCRIPTION:

This activity is designed to demonstrate the cost effectiveness of a prepaid, per capita reimbursement as an alternative to the fee-for-service system for certain MA eligible populations. Included in this program are virtually all Aid to Families with Dependent Children (AFDC) and aged recipients in Dakota and Itasca counties and 35% of these populations in Hennepin County. The following client groups are excluded: residents of regional treatment centers, 6 month spend-down cases, refugees, foster care cases, blind and disabled persons.

The per capita, or capitation, payment is based on appropriate historical costs to the MA program and is paid directly to competing health plans in Dakota and Hennepin counties, and to the social services department in Itasca County. In Dakota and Hennepin counties, this system is designed to utilize competing health plans to serve the MA population. In Itasca County, the county contracts with a majority of the providers in the area to ensure accessibility of services.

Capitation rates incorporate adjustments for age, sex, category of eligibility, county of residence, institutional status, and Medicare coverage. The state shares part of the financial risk for individual claims for inpatient hospital services and long term care services above certain limits according to contractual provisions.

Health plans are responsible for delivering or arranging for the delivery of the full array of MA covered services to their enrolled populations. As a result, the health plans receiving the capitation payment are "umbrella" organizations, contracting with or employing a broad array of acute and long-term care providers (hospitals, physicians, dentists, nursing homes, home health agencies, pharmacists, etc.). Health plans are required to meet a number of criteria related to scope of service, financial risk capability, cost-utilization reporting, quality assurance and grievance procedures, before contracting with the department.

This activity does not include the GAMC or AFDC voluntary prepaid, per capita contracts. Cost of those contracts are contained in the Health Care Administration budget activity.

The department administers this project directly, including contracting with health plans, making capitation payments, monitoring/collecting cost and utilization statistics, surveying recipients for satisfaction, hearing grievances and appeals and preparing an evaluation of the first 3 years of the project.

ACCOMPLISHMENTS AND GOALS:

The department has developed the capacity to purchase health care for MA recipients in the same manner as employers do for their work force. The state has reviewed and evaluated different approaches to managed health care and problems specific to MA recipients.

The department is completing an evaluation of the first 3 years of the project. Issues specifically to be addressed in the evaluation include quality assurance, cost containment, consumer satisfaction, and administrative issues. The role of case management in an effective managed health care system will also be examined.

ACTIVITY STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of counties involved	3	3	3	3
No. of providers under contract	9	8	8	8
No. of different prepayment models in place	3	3	3	3
No. of recipients enrolled	26,000	26,000	26,000	26,000
No. of enrollee grievances heard	74	70	70	70

LEGISLATIVE ISSUES:

The following changes to 256B.69 are proposed:

1. Clarification in statute of the department's current rate setting methodology.
2. Replacement of the current grievance panel process with the administrative appeal process from section 256.045.

FEDERAL ISSUES:

The current MA Demonstration Project sunsets on 12-31-88. Federal legislation is anticipated that would require the Health Care Financing Administration to continue the project for an additional 18 months through 6-30-90. In case the federal legislation is not signed into law, the state is pursuing 1915(b) federal waiver authority for a 2 year period that would extend the project without the ability to lock a client into a specific health plan for a 12 month period.

REVENUE:

This activity earns federal administrative reimbursement at the rate of 50% of expenditures. These expenditures are deposited into the state general fund.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested to accomplish the goals of this activity.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : HEALTH CARE
BUDGET ACTIVITY : MA DEMO PROJECTS

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	41	40	115	0	115	115	115	0	115	115
EXPENSES/CONTRACTUAL SRVCS	288	0	21	0	21	21	21	0	21	21
MISC OPERATING EXPENSES	3	0	5	0	5	5	5	0	5	5
SUPPLIES/MATERIALS/PARTS	0	0	19	0	19	19	19	0	19	19
CAPITAL EQUIPMENT	0	0	5	0	5	5	5	0	5	5
STATE OPERATIONS	332	40	165	0	165	165	165	0	165	165
LOCAL ASSISTANCE	350	540	375	0	375	375	375	0	375	375
TOTAL EXPENDITURES	682	580	540	0	540	540	540	0	540	540
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	507	540	540	0	540	540	540	0	540	540
STATUTORY APPROPRIATIONS:										
FEDERAL	175	40	0	0	0	0	0	0	0	0
TOTAL FINANCING	682	580	540	0	540	540	540	0	540	540
POSITIONS BY FUND:										
TOTAL POSITIONS										

ACTIVITY: GAMC GRANTS
Program: HEALTH CARE
Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

To reimburse providers for health care services delivered to eligible General Assistance Medical Care (GAMC) program recipients.

ACTIVITY DESCRIPTION:

The purpose of GAMC is to pay for medical services rendered to low income individuals who do not meet the eligible categories, such as age, disability, or family composition of the Medical Assistance (MA) program. The majority of GAMC recipients are single persons, aged 21-65. The program is currently funded by 90% state and 10% county dollars. Effective 1-1-90, the program will be funded 100% by the state. Those persons eligible for General Assistance (GA) are eligible for GAMC without separate application.

Payments are made for inpatient and outpatient hospital care, drugs and medical supplies, physician services, prosthetic devices, dental care, eye care, chiropractic services, and medical transportation on behalf of eligible individuals. Categories of providers eligible for payment are specified in state law.

ACTIVITY STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Average number of recipients per month	23,067	23,834	24,351	24,595
Average monthly expenditure per recipient	\$ 288	\$ 268	\$ 280	\$ 307

LEGISLATIVE ISSUES:

The department will seek to address eligibility and service issues for recipients residing in "Institutions for Mental Diseases" who are no longer eligible for MA.

EXPLANATION OF BUDGET REVIEW:

The BASE level of funding is requested for this activity except for the changes detailed on the following change pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : HEALTH CARE
BUDGET ACTIVITY : GAMC GRANTS

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
AIDS TO INDIVIDUALS	81,589	82,891	84,631	1,829	86,460	84,737	90,514	3,845	94,359	90,546
LOCAL ASSISTANCE	174	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	81,763	82,891	84,631	1,829	86,460	84,737	90,514	3,845	94,359	90,546
CHANGE REQUESTS:										
B MA/GAMC REIMB. FOR NON-INSTITUTION CARE				906		0		1,574		0
B INCREASE AFDC GRANT				569		0		1,137		0
B GA/SSI CONVERSION PROJECT				<1,185>		<1,185>		<1,285>		<1,285>
B MA TO GAMC / FEDERAL IMD LAW				1,539		1,539		1,744		1,744
B MODIFICATION HOSPITAL REIMB. SYSTEM				0		<248>		675		<427>
TOTAL CHANGE REQUESTS				1,829		106		3,845		32
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	73,604	73,903	76,168	1,829	77,997	76,274	81,463	3,845	85,308	81,495
STATUTORY APPROPRIATIONS:										
GENERAL	8,159	8,988	8,463	0	8,463	8,463	9,051	0	9,051	9,051
TOTAL FINANCING	81,763	82,891	84,631	1,829	86,460	84,737	90,514	3,845	94,359	90,546
POSITIONS BY FUND:										
TOTAL POSITIONS										

**GAMC GRANTS
FORECAST INFORMATION**

This table shows historical GAMC caseload and total expenditures, with projections for F.Y. 1989-91.

Total GAMC Program

<u>Fiscal Year</u>	<u>Monthly Average Recipients</u>	<u>Monthly Average Payments</u>	<u>Total Annual payments</u>	<u>State Share</u>	<u>County Share</u>
1986	21,501	\$ 243.74	\$ 62,888,303	\$ 56,599,473	\$ 6,288,830
1987	23,198	270.57	75,321,383	67,789,245	7,532,138
1988	23,067	288.18	9,768,711	71,791,840	7,976,871
PROJECTED					
1989	23,834	\$ 267.76	\$ 76,581,240	\$ 68,923,116	\$ 7,658,124
1990	24,351	289.62	84,631,278	76,168,150	8,463,128
1991	24,595	306.69	90,514,080	81,462,672	9,051,408

**GAMC GRANTS
FORECAST INFORMATION**

This table shows GAMC expenditures, by category of service, from F.Y. 1986 to F.Y. 1989 (projected).

State Share of GAMC Expenditures (000's)

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Inpatient Hospital	\$ 31,339	\$ 29,272	\$ 35,983	\$ 31,245
Outpatient Hospital	5,370	6,552	5,459	5,428
Physicians	9,681	12,492	10,904	10,961
Dental	2,442	3,291	2,839	2,932
Prescription Drugs	3,957	3,912	3,985	4,347
Optometric Services	361	445	445	461
Mental health/Psych.	525	456	361	375
Case Management	-0-	-0-	-0-	358
Medical Supplies	630	676	664	685
Medical Transportation	899	1,085	993	1,032
Other Practitioners	231	456	473	488
Capitation	1,043	9,080	9,454	10,063
Other Services	121	70	75	547
Total	\$ 56,599	\$ 67,789	\$ 71,635	\$ 68,923

GAMC GRANTS
FORECAST INFORMATION

This table shows the projected increases in GAMC expenditures under current law, compared with projected F.Y. 1989 expenditures. These figures do not represent the full cost of program changes implemented in F.Y. 1989 or earlier, only the increment over F.Y. 1989 costs. These increases do not include change requests included in this budget; they include only projected costs under current law.

	<u>(Dollars in Thousands)</u>	
	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Projected F.Y. 1989 state share cost	\$ 68,923	\$ 68,923
<u>Projected Increases Under Current Law</u>		
Expiration of ratable reductions	2,421	3,378
Inpatient hospital rate increases	2,022	4,284
GA/WR caseload	1,221	2,131
Medically Needy Caseload	302	615
AIDS and ARC	200	400
Other rate and utilization changes	1,079	1,732
TOTAL STATE SHARE COST	\$ 76,168	\$ 81,463
INCREASE OVER F.Y. 1989	\$ 7,245	\$ 12,540

**GAMC GRANTS
FORECAST INFORMATION**

**COST PROJECTIONS BY CATEGORY OF SERVICE
WITH PROJECTED INCREASE OVER F.Y. 1989 COSTS
(Thousands of Dollars: State Funds Only)**

	<u>Projected</u> <u>F.Y. 1990</u>	<u>F.Y. 1990</u> <u>Increase Over</u> <u>F.Y. 1989</u>	<u>Projected</u> <u>F.Y. 1991</u>	<u>F.Y. 1991</u> <u>Increase Over</u> <u>F.Y. 1989</u>
Inpatient Hospital	\$ 35,118	\$ 3,872	\$ 38,571	\$ 7,326
Outpatient Hospital	5,931	502	6,252	823
Physicians	11,675	714	12,057	1,096
Dental	3,114	181	3,206	273
Prescription Drugs	4,977	630	5,416	1,069
Optometric Services	490	29	504	44
Mental health/Psych.	401	26	414	39
Case Management	358	-0-	-0-	(358)
Medical Supplies	728	43	750	64
Medical Transportation	1,100	69	1,136	104
Other Practitioners	516	29	531	43
Capitation	11,158	1,095	11,983	1,919
Other Services	602	56	644	97
Total	\$ 76,168	\$ 7,245	\$ 81,463	\$ 12,540

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: GAMC GRANTS
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: MODIFICATION TO THE HOSPITAL REIMBURSEMENT SYSTEM

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ -0-	-0-	\$ 675	-0-
Governor's Recommendation				
General Fund	\$ (248)	-0-	\$ (427)	-0-

Request requires statutory change: X Yes _____ No
 Statutes Affected: 256.969

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to implement changes to the acute care hospital reimbursement system.

DESCRIPTION/BACKGROUND:

In 1985, the department introduced a diagnostic related group (DRG) payment system for acute care hospitals. Over the last 3 years, several problems have been identified. These include inequities in the DRGs, a property rate that is not prospective, out-of-date base year costs, and an inappropriate inflation index. The department must also change its method of computing the disproportionate share to conform to federal method.

RATIONALE:

With limited resources the department must balance the inpatient and out-patient needs of clients while removing the inequities of the DRG system and develop a prospective property rate.

BASE: None.

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 675	\$ 675

GOVERNOR'S RECOMMENDATION:

After review of this activity, the Governor recommends an alternative funding level of \$(675,000) for the biennium. The Governor proposes to phase-in the Disproportionate Population Adjustment according to the schedule mandated by the federal Omnibus Budget Reconciliation Act of 1987 and to eliminate the 1% technology inflation factor that is presently added onto the base rates. Since the current inpatient rates are based upon hospital specific costs plus full inflation, it is duplicative to add another 1% for technology inflation.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : HEALTH CARE
BUDGET ACTIVITY : PAS - ALTERNATIVE CARE GRANTS

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
AIDS TO INDIVIDUALS	12,398	13,530	13,530	2,199	15,729	14,530	13,530	4,226	17,756	15,030
TOTAL EXPENDITURES	12,398	13,530	13,530	2,199	15,729	14,530	13,530	4,226	17,756	15,030
CHANGE REQUESTS:	FUND									
B ALTERNATIVE CARE GRANT FORECAST	GEN									
				2,199		1,000		4,226		1,500
TOTAL CHANGE REQUESTS				2,199		1,000		4,226		1,500
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	12,398	13,530	13,530	2,199	15,729	14,530	13,530	4,226	17,756	15,030
TOTAL FINANCING	12,398	13,530	13,530	2,199	15,729	14,530	13,530	4,226	17,756	15,030
POSITIONS BY FUND:										
TOTAL POSITIONS										

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: PAS/ALTERNATIVE CARE GRANTS
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: ALTERNATIVE CARE GRANT FORECAST

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$2,199	-0-	\$4,226	-0-
Governor's Recommendation				
General Fund	\$1,000	-0-	\$1,500	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to provide for a projected growth of the Alternative Care Grants (ACG) Program, due to a steady increase in recipients and expenditures. The request is necessary because the ACG program is not an entitlement program.

DESCRIPTION/BACKGROUND:

The ACG program allows elderly persons who would otherwise be placed in or remain in a nursing home to remain at home in the community with appropriate home care services such as: homemaker, home health aide, adult day care, respite care, foster care, and personal care. Each ACG client is assigned a case manager who is responsible for assuring quality care and monitoring the health and safety of the client.

The projected growth rate of 6.5% is in keeping with the 6.5% increase the federal Health Care Finance Agency (HCFA) has approved for the Medical Assistance (MA) waiver portion of the program and is based on current use and growth rates. A reduction of ACG clients in F.Y. 1986 and F.Y. 1987 was not a trend. Counties are seeing a subsequent increase in ACG use. Funds will be needed for the F.Y. 1990-1991 biennium to properly serve this frail elderly population.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
ACG Recipients	6,000	6,618	7,223	7,692

RATIONALE:

The ACG program continues to be a cost-effective measure for providing long term care for the frail elderly both through funding of alternative care services and through a system which makes services available for private purchase. The monthly average expenditure is approximately \$450, compared

with a monthly average MA payment to nursing homes of about \$1,200. Seniors themselves have expressed the desire to remain at home as long as possible and the ACG program provides services to allow them to do so cost effectively.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 10,547	\$ 13,530	\$ 13,530	\$ 13,530

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 4,226	\$ 4,226

GOVERNOR'S RECOMMENDATION:

After review of this activity, the Governor recommends an alternative funding level of \$2,500,000 for the biennium. This funding will fully cover the projected inflation of costs for the existing caseload.

ACTIVITY: CHILDREN'S HEALTH PLAN
Program: HEALTH CARE
Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

To provide primary health care coverage for children, ages 1 through 8, who are in families with gross annual incomes that are less than or equal to 185% of the federal poverty guidelines and who are not eligible for Medical Assistance (MA) or General Assistance Medical Care (GAMC) and who are not otherwise insured for the covered services.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Estimated % of eligible children	-0-	18	36	42

ACTIVITY DESCRIPTION:

The Children's Health Plan (CHP) was established to promote access to primary and outpatient health services for uninsured children and to try to keep healthy children healthy. Funding is limited to a one cent tax on cigarettes deposited in the Public Health Fund. The state administers the plan; families apply directly to the state and eligibility is determined by state staff. A toll-free telephone number is publicized on all CHP materials to provide information and assistance to potential applicants and provider groups and to promote access to covered health services. Provider payments are made under the same rates and conditions as Medical Assistance (MA) payments. Applications, posters and brochures are available throughout the state in WIC (Women, Infants and Children) sites, social service agencies, community health service agencies, school district offices, selected schools and provider offices, as well as food shelves and battered women shelters.

ACCOMPLISHMENTS AND GOALS:

Accomplishments:

The administrative structure is in place and the program began officially on 7-1-88. 100 cards were mailed to enrolled children just prior to the July 1 implementation date. More than 2,000 children were enrolled in the first 2 months from 1,149 families. 20% of the enrolled children have some form of hospitalization insurance but a high deductible is a barrier to primary care services. 2 press conferences were held and applications were available at 5,500 sites before July 1. Posters, brochures, and applications were displayed at these sites beginning in July and at an additional 1,400 sites before the end of the summer.

Goals:

1. Increase marketing efforts.
2. Enroll a greater percentage of the total population of eligible uninsured children.
3. Increase utilization of appropriate health care services by CHP enrolled children and children eligible for MA.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Average number of children enrolled	-0-	6,038	12,075	14,088
Average number of paid recipients	-0-	2,264	6,038	7,044
Average expenditure per child per month	\$ -0-	\$ 49.98	\$ 51.98	\$ 54.06

LEGISLATIVE ISSUES:

The department will present a number of legislative initiatives to make the Children's Health Plan more accessible to children of farmers and other self-employed individuals who have gross incomes in excess of the standards, to recover more third-party payments from liable insurers and to seek authority to promulgate rules for this activity.

As part of the department's legislative proposals for addressing the health care needs of the uninsured, additional funds will be requested to expand the age-range of children who would be eligible under this Plan.

REVENUE:

An enrollment fee of \$25 per child per year is charged. This revenue is deposited in the Public Health Fund.

	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Fees received	\$ -0-	\$ 151	\$ 302	\$ 352

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity except for the changes detailed on the following change pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : HEALTH CARE
BUDGET ACTIVITY : CHILDRENS HEALTH PLAN

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	65	337	337	72	409	337	337	72	409	409
EXPENSES/CONTRACTUAL SRVCS	11	263	263	110	373	263	263	90	353	373
MISC OPERATING EXPENSES	15	86	86	13	99	86	86	12	98	99
SUPPLIES/MATERIALS/PARTS	8	0	13	0	13	13	13	0	13	13
CAPITAL EQUIPMENT	13	0	0	12	12	0	0	0	0	12
REDISTRIBUTIONS	0	0	0	0	0	0	0	0	0	0
STATE OPERATIONS	112	686	699	207	906	699	699	174	873	906
AIDS TO INDIVIDUALS	0	1,294	3,464	2,618	6,082	3,464	4,217	4,337	8,554	7,510
TOTAL EXPENDITURES	112	1,980	4,163	2,825	6,988	4,163	4,916	4,511	9,427	8,416
CHANGE REQUESTS: FUND										
B ELIGIBILITY UNDER CHP				2,825		0		4,511		3,500
B TRANSFER BASE OF CHP TO GEN FUND				0		4,163		0		4,916
B TRANSFER BASE OF CHP TO GEN FUND				0		<4,163>		0		<4,916>
TOTAL CHANGE REQUESTS				2,825		0		4,511		3,500
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	0	0	0	2,825	2,825	4,163	0	4,511	4,511	8,416
PUBLIC HEALTH	112	1,980	4,163	0	4,163	0	4,916	0	4,916	0
TOTAL FINANCING	112	1,980	4,163	2,825	6,988	4,163	4,916	4,511	9,427	8,416
POSITIONS BY FUND:										
GENERAL	0.0	0.0	0.0	3.0	3.0	10.0	0.0	3.0	3.0	13.0
PUBLIC HEALTH	7.0	10.0	10.0	0.0	10.0	0.0	10.0	0.0	10.0	0.0

1990-91 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : HEALTH CARE
BUDGET ACTIVITY : CHILDRENS HEALTH PLAN

POSITIONS BY FUND:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
TOTAL POSITIONS	7.0	10.0	10.0	3.0	13.0	10.0	10.0	3.0	13.0	13.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: CHILDREN'S HEALTH PLAN
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: ELIGIBILITY UNDER THE CHILDREN'S HEALTH PLAN

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$2,825	3.0	\$4,511	3.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$3,500	3.0

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 256.936

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to increase the age limit of children eligible for primary and preventive care services under the Children's Health Plan. The age limit would increase from age 9 to age 18. This is a part of the department's initiative to provide health care for the uninsured and the department's children's initiative.

DESCRIPTION/BACKGROUND:

Use of health services by children ages 1 through 8 through the Children's Health Plan demonstrates a clear need to extend these primary and preventive care services to more children. The need for medical care does not end at age 9. National figures for 1987 indicate 40% of the uninsured are children under age 18. More than half of the uninsured children are 10 or older. Primary care is very important to these children to prevent health problems as they grow and develop. Families with incomes less than 185% of the federal poverty level struggle for self-sufficiency. Medical care costs are a barrier to the provision of necessary medical services.

The increase will add 5,000 children to the plan the first year and 8,000 the second year. Experience with administration of the plan indicates a need for 1 support person for every 2,000 to 2,500 applicants. The increased number of enrollees requires additional staff so application review, enrollment or re-enrollment, claims processing and benefit recovery activities can occur within a 2 week period or less.

Funds for the current Children's Health Plan is from the 1 cent cigarette tax. This proposal requests general funds to provide the funding basis for the additional age groups.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Average number of additional children enrolled	-0-	-0-	6,021	9,366

RATIONALE:

Three positions are necessary to provide efficient administration of the application and enrollment/re-enrollment process for the Children's Health Plan, and the additional claims that result in invoice processing and benefit recovery efforts. Increased numbers of eligible children will double the applications received, increase the existing pressure on claims processing, and slow benefit recovery efforts. 20% of the current enrollees have some insurance and the plan will benefit from a person's attention to recovering payment from liable insurers after the enrollee's deductible has been reached.

BASE: None.

LONG RANGE IMPLICATIONS:

	<u>(Dollars in Thousands)</u>	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 4,511	\$ 4,511

GOVERNOR'S RECOMMENDATION:

After review of this activity, the Governor recommends an alternative funding level of \$3,500,000 for the second year of the biennium. This request is a component of the Governor's Initiative on Children. The funding will enable the requested eligibility expansion to take effect 7-1-90.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: CHILDREN'S HEALTH PLAN
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: TRANSFER BASE OF CHP TO GENERAL FUND

Governor's Recommendation	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$4,163	10.0	\$4,916	10.0
Public Health	\$(4,163)	(10.0)	\$(4,916)	(10.0)

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 124.252 subd 5.(3); M.S. 214.06 subd. 1;
 M.S. 256.936 subd. 4; M.S. 297.13 subd. 1.(3)

GOVERNOR'S RECOMMENDATION:

The Governor recommends the consolidation of the Public Health Fund with the General Fund. As a result of this recommendation, \$9,079,000 and 10.0 positions are transferred to the General Fund for the Children's Health Plan.

DESCRIPTION/BACKGROUND:

The Public Health Fund was created by the legislature in 1985 with revenues from a portion of the cigarette tax. At that time, programs in the Departments of Health, Education and the Pollution Control Agency were funded from the Public Health Fund. In the 1988 legislative session, an increase to the cigarette tax generated additional revenue to the Public Health Fund to support the newly created Children's Health Plan.

RATIONALE:

In a special report published by the Department of Finance in October, 1988, it is recommended that a number of special funds be consolidated into the General Fund. The reasons given for consolidation include a concern over the complexity and confusion created by a growing number of special funds and a concern over the stability of particular funding sources that are used to finance ongoing agency programs. At this time there is no immediate threat to the stability of cigarette tax revenues to the Public Health Fund, but a review of program expenditures coupled with declining cigarette tax estimates call the future viability of the Fund into question.

ACTIVITY: HEALTH CARE SUPPORT
Program: HEALTH CARE
Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

To reimburse medical providers through the operation of a centralized claims processing system for health care services provided to Minnesota recipients of Medical Assistance (MA) and General Assistance Medical Care (GAMC).

EFFECTIVENESS MEASURES:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Percent of claims processed within 30 days	90%	90%	90%	90%
within 60 days	95%	95%	95%	95%
within 90 days	98%	98%	98%	98%
Percent of claims received electronically	52%	55%	65%	70%

ACTIVITY DESCRIPTION:

This activity is responsible for administering a centralized medical payment system so that health care services are provided to MA and GAMC recipients. There are currently over 20,000 enrolled providers. This activity receives, edits, and adjudicates over 10,000,000 claims per year.

The payment of these claims must meet the requirements of state and federal laws, rules, and regulations. Claims are passed through a series of approximately 800 system edits which validate the information submitted, check for accuracy, determine appropriate coverage, compute reimbursement, assure that the claim has not been previously paid or does not conflict with another claim, and finally validate recipient eligibility. Claims failing the edits are manually reviewed. The data collected from adjudicated claims provides the base for management and operational reports, surveillance and utilization review, and the database for computing reimbursement rates. This database is the Medicaid Management Information System (MMIS). The Invoice Processing Section operates a provider hot-line 8 hours per business day and receives in excess of 200 calls daily. Information sought by providers includes types of covered services, proper procedure codes, reimbursement requirements, payment levels, and status of suspended claims.

Additionally, this activity maintains a recipient eligibility system in which local agencies record case and recipient eligibility data. This is essential for the proper payment of claims and identification of other third party insurance. Local agencies are provided system manuals, training, and bulletins.

This activity is also responsible for printing and mailing the recipient Explanation of Monthly Benefits (EOMB) and the monthly MA/GAMC identification cards.

ACCOMPLISHMENTS AND GOALS:

Several system enhancements were added during the current biennium, including:

1. Development and implementation of automated processing of Medicare cross-over claims.

2. Revision to the Long Term Care (LTC) payment subsystem due to be implemented 11-1-88.
3. Expansion of the MA/GAMC eligibility verification system that allows instant access via telecommunication linkage to the eligibility database.
4. Expansion of the claim field sizes in the MMIS to allow for payment of claims in excess of \$100,000.
5. Increased use of on-line error correction of claims which speeds up error resolution while reducing paper flow.

The major goal for the coming biennium will be the maintenance of the current MMIS while at the same time planning for and installing the new MMIS system.

ACTIVITY STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Number of claims received	10,636,410	10,800,000	11,000,000	11,300,000
Rejected claims	1,060,000	800,000	800,000	800,000
Paid claims				
MA	8,618,769	9,000,000	9,200,000	9,500,000
GAMC	957,641	1,000,000	1,000,000	1,000,000
Average days from receipt to payment	24	23	23	21

REVENUE:

This activity earns federal administrative reimbursement at the rate of 50% of its expenditures. These reimbursements are deposited into the state general fund. MMIS redesign expenditures earn federal administrative reimbursement at the rate of 90%.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity except for changes detailed on the following change pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : HEALTH CARE
BUDGET ACTIVITY : HEALTH CARE SUPPORT

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	3,255	3,694	5,252	457	5,709	5,709	4,278	457	4,735	4,735
EXPENSES/CONTRACTUAL SRVCS	7,343	4,856	9,673	245	9,918	9,918	6,884	<169>	6,715	6,715
MISC OPERATING EXPENSES	748	713	686	3	689	689	678	3	681	681
SUPPLIES/MATERIALS/PARTS	142	77	52	0	52	52	52	0	52	52
CAPITAL EQUIPMENT	517	12	12	10	22	22	12	5	17	17
REDISTRIBUTIONS	0	18	0	0	0	0	0	0	0	0
STATE OPERATIONS	12,005	9,370	15,675	715	16,390	16,390	11,904	296	12,200	12,200
LOCAL ASSISTANCE	27	104	104	0	104	104	104	0	104	104
TOTAL EXPENDITURES	12,032	9,474	15,779	715	16,494	16,494	12,008	296	12,304	12,304
CHANGE REQUESTS:	FUND									
B LTC SYSTEM MAINTENANCE/STAFF				150		150		150		150
B NMIS REDESIGN				565		565		146		146
TOTAL CHANGE REQUESTS				715		715		296		296
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	9,609	8,169	10,590	715	11,305	11,305	10,590	296	10,886	10,886
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	2,368	1,201	5,085	0	5,085	5,085	1,314	0	1,314	1,314
FEDERAL	27	104	104	0	104	104	104	0	104	104
GIFTS AND DEPOSITS	28	0	0	0	0	0	0	0	0	0
TOTAL FINANCING	12,032	9,474	15,779	715	16,494	16,494	12,008	296	12,304	12,304
POSITIONS BY FUND:										
GENERAL	99.5	102.5	102.5	11.0	113.5	113.5	102.5	11.0	113.5	113.5
SPECIAL REVENUE	6.0	6.0	6.0	0.0	6.0	6.0	6.0	0.0	6.0	6.0

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : HEALTH CARE
BUDGET ACTIVITY : HEALTH CARE SUPPORT

POSITIONS BY FUND:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
TOTAL POSITIONS	105.5	108.5	108.5	11.0	119.5	119.5	108.5	11.0	119.5	119.5

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: HEALTH CARE SUPPORT
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: MEDICAID MANAGEMENT INFORMATION SYSTEM REDESIGN

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 565	-0-	\$ 146	-0-

Governor's Recommendation

General Fund	\$ 565	-0-	\$ 146	-0-
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Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions for the state share for the design and implementation of the new Medicaid Management Information System (MMIS). This request supports the department initiative for information systems development.

DESCRIPTION/BACKGROUND:

The MMIS is a statewide computerized system whose basic function is to process claims for payment under the Medical Assistance (MA) and General Assistance Medical Care (GAMC) programs. State MMIS systems are required to meet minimum federal standards for accurate and timely claim adjudications within the framework of federal and state laws and regulations. Minnesota's current MMIS system was installed in 1973 and has managed to meet federal standards in each annual review but is widely recognized as failing to react to changes in health care initiatives or the current system's operating environment.

During the 1987 legislative session, money was appropriated to prepare an Advance Planning Document (APD) to present to the federal government detailing MMIS system needs, outlining a system design and setting forth an implementation timetable. The APD and its approval by the federal government is necessary to obtain enhanced 90% federal funding for the installation of the new system. This request allows the department to enter into the next stages of system design and implementation.

This request is necessary to allow the Department to manage the development and installation of the new MMIS within the state's data processing environment. The existing positions are being used to manage the entire project, including integration into existing systems, contract management, administrative coordination, and user interface.

RATIONALE:

The current MMIS is based on technology and architecture dating back to the early 1970s. It was a sophisticated, computerized system that supported very well the health care environment in existence at that time. The health care industry during the past 15-20 years has undergone significant changes in volume of recipients and providers, dollars expended annually, new cost-containment initiatives, and complexity of laws and regulations. The current MMIS cannot continue to respond to the increasing demands being placed upon it. The provision of quality health care to low income citizens depends directly on the voluntary participation of health care providers in MA/GAMC programs. A redesigned MMIS will help ensure continued provider participation by the efficient and accurate payment of claims submitted to the state.

BASE: None.

LONG RANGE IMPLICATIONS:

General Fund Expenditures

(Dollars in Thousands)
 F.Y. 1992 F.Y. 1993

\$ 61 \$ 65

GOVERNOR'S RECOMMENDATION:

This request has been reviewed and recommended for funding at the agency request level by the Information Policy Office (IPO). The Governor concurs with the IPO recommendation.

CHANGE REQUEST _____ Agency Program _____ Activity 1990-91 Biennial Budget

ACTIVITY: HEALTH CARE SUPPORT
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: LONG TERM CARE (LTC) SYSTEM MAINTENANCE AND STAFF

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 150	3.0	\$ 150	3.0
Governor's Recommendation				
General Fund	\$ 150	3.0	\$ 150	3.0

Request requires statutory change: _____ Yes No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to operate and maintain the newly redesigned Long Term Care (LTC) subsystem of the Medicaid Management Information System (MMIS). This request supports the department initiative for systems development.

DESCRIPTION/BACKGROUND:

The department has recently completed the redesign and implementation of the LTC subsystem of the MMIS. The LTC system processes claims on behalf of skilled nursing home and intermediate care facility residents for daily care and rehabilitation services. Long term care payments exceed 500 million dollars per year.

The original LTC subsystem was the first module installed under the current MMIS. Its early installation was accomplished by minimizing claim edit procedures required in other Medical Assistance (MA) service areas. LTC claims, until now, were not subject to duplicate and conflicting system edits to determine if overpayments were made. Since the system was incapable of performing these edits, the department relied on LTC facilities and county human service agencies to identify and correct such problems. The new system will perform these and other edits, and will, along with other system enhancements, reduce the likelihood of erroneous payments.

RATIONALE:

The new LTC system has been installed and provides superior management and fiscal controls on a significant portion of Minnesota's MA expenditures. The continued care and maintenance of this system is essential so it responds to changes in MA and Medicare policies mandated by federal and state government. Quick response to program changes means LTC expenditures reflect the intent of policymakers and ensure accurate and timely payments to service providers.

The staff are necessary because Intertechnologies of the Department of Administration no longer provides programming and systems assistance and the department needs to establish positions to provide assistance for maintaining the newly installed LTC payment system.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	<u>(Dollars in Thousands)</u>	
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>
General Fund Expenditures	\$ 150	\$ 150

GOVERNOR'S RECOMMENDATION:

This request has been reviewed and recommended for funding at the agency request level by the Information Policy Office (IPO). The Governor concurs with the IPO recommendation.

This request generates \$226,000 for the biennium in non-dedicated receipts to the General Fund.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: HEALTH CARE SUPPORT
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: MEDICAID MANAGEMENT INFORMATION SYSTEM MAINTENANCE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ -0-	8.0	\$ -0-	8.0
Governor's Recommendation				
General Fund	\$ -0-	8.0	\$ -0-	8.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above positions to provide systems and programming support for the Medicaid Management Information System (MMIS). This request supports the department initiative for information systems development.

DESCRIPTION/BACKGROUND:

The MMIS programs have been historically supported by the Department of Administration (DOA), Intertechnologies, through an interagency agreement with the Department of Human Services. DOA billed the department monthly for programming and production costs. The MMIS is constantly being modified to respond to federal and state changes in health care policy. Health care covered service expansion, rate and fee-for-service changes, service limitations and other program edit modifications require significant programmer expertise to keep the MMIS running as smoothly as possible. Systems problems can lead to late or erroneous payments to providers.

Intertechnologies (DOA) has notified the department that they are terminating their systems and programming support functions. The department must therefore, request these positions to maintain the current operations of the MMIS. Funding of these positions will be accomplished by transferring purchased service funds from the department's base level budget to the salary account.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number of Claims Processed	10,636,410	10,800,000	11,000,000	11,300,000
MA/GAMC Expenditure (000's)	\$1,269,000	\$1,357,000	\$1,458,000	\$1,562,000

RATIONALE:

The MMIS processes Medical Assistance/General Assistance Medical Care claims

to pay health care providers for services rendered. The system must continue to meet minimum federal standards in order to obtain federal financial participation for the payment of medical claims. The department is requesting these positions because of the DOA's termination of support. Contracting for services from a programming firm would double this request.

BASE: None.

LONG RANGE IMPLICATIONS: None.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. This request was approved by the LAC in 1988. Furthermore, it has been reviewed and recommended by the Information Policy Office (IPO).

ACTIVITY: HEALTH CARE COLLECTIONS
(Continuation)

1990-91 Biennial Budget

Program: HEALTH CARE
Agency: HUMAN SERVICES, DEPARTMENT OF

REVENUE:

This activity earns federal administrative reimbursement at the rate of 50% of expenditures.

These reimbursements are deposited into the state general fund. In addition to administrative reimbursements, this activity is responsible for a very significant volume of program collections as detailed in the effectiveness measures sections approximately 40% of these collections are returned to general funds.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested, except for the changes detailed on the following change pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : HEALTH CARE
BUDGET ACTIVITY : HEALTH CARE COLLECTIONS

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	1,414	1,541	1,662	147	1,809	1,809	1,662	147	1,809	1,809
EXPENSES/CONTRACTUAL SRVCS	71	56	56	7	63	63	56	5	61	61
MISC OPERATING EXPENSES	66	80	80	10	90	90	80	10	90	90
SUPPLIES/MATERIALS/PARTS	14	15	15	4	19	19	15	4	19	19
CAPITAL EQUIPMENT	2	13	13	20	33	33	13	7	20	20
TOTAL EXPENDITURES	1,567	1,705	1,826	188	2,014	2,014	1,826	173	1,999	1,999
CHANGE REQUESTS: FUND										
B INCREASE MA/GAMC RECOVERIES/THIRD PARTY GEN LIABILITY				108		108		98		98
B INCREASED MA/GAMC RECOVERIES THRU SURS GEN				80		80		75		75
TOTAL CHANGE REQUESTS				188		188		173		173
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,567	1,705	1,826	188	2,014	2,014	1,826	173	1,999	1,999
TOTAL FINANCING	1,567	1,705	1,826	188	2,014	2,014	1,826	173	1,999	1,999
POSITIONS BY FUND:										
GENERAL	50.0	50.0	50.0	5.0	55.0	55.0	50.0	5.0	55.0	55.0
TOTAL POSITIONS	50.0	50.0	50.0	5.0	55.0	55.0	50.0	5.0	55.0	55.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: HEALTH CARE COLLECTIONS
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: INCREASED MA/GAMC RECOVERIES THROUGH SURVEILLANCE AND UTILIZATION REVIEW SYSTEMS (SURS)

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 80	2.0	\$ 75	2.0
Governor's Recommendation				
General Fund	\$ 80	2.0	\$ 75	2.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to provide efficient and effective administration of the Medical Assistance/General Assistance Medical Care (MA/GAMC) programs. The activity would increase MA/GAMC recoveries by \$150,000 in F.Y. 1990 and \$200,000 in F.Y. 1991 through expanded surveillance and utilization review systems (SURS) efforts. This will be accomplished by increasing SURS ability to specialize, conduct additional investigations per year, and increase recoveries by having more trained investigators working in the field.

DESCRIPTION/BACKGROUND:

SURS has historically had a relatively small staff of field investigators. Each investigator had to be cross-trained to investigate 26 provider types. This has been unsatisfactory due to the complexity of the program. Additional investigators will allow for more specialization and permit each investigator to build expertise on 4 or 5 specific provider types. It will also provide for specialists in expanded MA coverages.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Allegations	3,557	3,500	3,750	3800
Investigations	606	650	750	800
Collections	1,060	1,200	1,450	1,650

RATIONALE:

It is projected that each of the 2.0 new investigators will recover an average of \$75,000 in the first year and \$100,000 each year thereafter. Emphasis will be placed on long term care, which accounts for over 60% of the total medical assistance budget.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 853	\$ 939	\$ 939	\$ 939

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 75	\$ 75

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. This effort will generate \$225,000 for the biennium in non-dedicated receipts to the General Fund. Of this amount, \$78,000 is federal reimbursement for the additional positions and \$147,000 is the state's share of the increased recoveries.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: HEALTH CARE COLLECTIONS
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: INCREASE MA/GAMC RECOVERIES THROUGH THIRD-PARTY LIABILITY EFFORTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 108	3.0	\$ 98	3.0

Governor's Recommendation

General Fund	\$ 108	3.0	\$ 98	3.0
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Request requires statutory change: _____ Yes X No

Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to develop new initiatives such as retroactive medicare billing, identification of new sources of third-party liability (TPL), and TPL liaison/training activities. This activity would improve TPL identification and increase collections by \$600,000 in F.Y. 1990 and \$700,000 in F.Y. 1991.

DESCRIPTION/BACKGROUND:

Minnesota must continue its efforts to increase recoveries from other third party payers. To meet federal guidelines for TPL compliance, it is necessary to provide training and support to county financial staff in the identification and reporting of TPL information. In addition, the recent passage of the Medicare Catastrophic Health Care bill by congress is expected to increase the percentage of long-term care covered days under Medicare and increase the scope and duration of certain Medicare covered services.

STATISTICS: F.Y. 1988 F.Y. 1989 F.Y. 1990 F.Y. 1991

TPL Collections	\$ 11,288	\$ 11,500	\$ 12,100	\$ 12,200
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RATIONALE:

Medical Assistance is the payor of last resort. Recent federal and state legislation has broadened the liability of private insurance and Medicare coverage. Providing additional staff who are experts in public and private health care policies and procedures will result in increased MA recoveries and use of TPL as a primary source of payment for health care services.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 715	\$ 720	\$ 720	\$ 720

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 98	\$ 98

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. This effort will generate \$649,000 for the biennium in non-dedicated receipts to the General Fund. Of this amount, \$103,000 is federal reimbursement for the additional positions and \$546,000 is the state's share of the increased collections.

ACTIVITY: LONG TERM CARE MANAGEMENT
 Program: HEALTH CARE
 Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

To develop and manage cost effective Long Term Care (LTC) service systems and alternatives for persons requiring those services.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Average No. of medical assistance residents in nursing homes	27,423	26,409	25,396	24,952
No. of nursing home applicants diverted to Alternative Care Program	5,838	6,375	7,072	7,525
No. of chronically ill individuals receiving home and community-based services under waiver	17	35	50	63
No. of disabled individuals receiving home and community based services under waiver	-0-	225	550	750
No. of persons receiving MA home care	8,536	9,091	9,682	10,311
No. of children served under Children's Home Care Option	100	300	420	460

ACTIVITY DESCRIPTION:

This activity proposes legislation, and develops rules, procedures, and systems to reimburse 875 LTC facilities participating in the Medical Assistance (MA) program as required by M.S. 2256B.41 and 256B.51. Facilities include nursing homes, boarding care homes, intermediate care facilities for the mentally retarded (ICFs/MR), and day training and habilitation centers. In addition, this activity administers home care services provided under MA, including as 3 home and community-based services waivers for the elderly, handicapped children and adults, and chronically ill persons at risk to hospitalization as well as the Preadmission Screening/Alternative Care Grants (PAS/ACG) program. It also provides support to the waiver for persons with mental retardation.

The major functions of this activity are:

1. Developing, reviewing, and analyzing methods of reimbursing LTC services.
2. Analyzing cost and program data to contain costs and improve services.
3. Developing rules and implementing state and federal legislation.
4. Administering the MDH contract for federally mandated surveys of LTC facilities.
5. Coordinating and disseminating state LTC policy.
6. Administration of home and community-based services policies and rules.
7. Administering nursing home property appraisals.
8. Maintaining automated rate setting systems.

ACCOMPLISHMENTS AND GOALS:

Accomplishments:

1. Implementation of permanent rules for the case mix and rental reim-

- bursement systems for nursing homes. Cost increases are now related to the care needs of residents. Nursing home spending patterns are monitored and compared through a new computerized facility profile system.
2. Development and field testing of new systems for ICF/MR and day training and habilitation center reimbursement based on assessments of client needs is nearing completion.
3. A system of program compliance reviews of counties providing waived services has been implemented.
4. Expansion of home care services available under MA including the change from independent practitioners to personal care assistant provider organizations has doubled the clientele and phone inquiries for this activity.
5. A waiver for physically handicapped individuals was obtained and implemented.
6. A new Children's Home Care Option (TEFRA 134) is being implemented.

Goals

1. Increased administrative oversight over home care costs and procedures are needed to keep pace with market changes in long term care. Case management for nonwaivered home care clients is a needed tool.
2. Implementation of the extensive changes required under the federal Nursing Home Reform Act (OBRA '87) requires multiple state plan amendments during this biennium.
3. Full implementation of the new ICF/MR payment system will occur this biennium.
4. Development and piloting of a new reimbursement system for day training and habilitation providers.

ACTIVITY STATISTICS:

	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
State dollars paid on nursing homes boarding care homes, and ICF/MR	\$ 233,181	\$ 247,132	\$ 258,330	\$ 271,475
State dollars paid on home and community based waiver services and 180 day eligibles	\$ 21,338	\$ 34,251	\$ 47,363	\$ 58,551
State dollars paid on MA Home Care (non waiver)	\$ 7,108	\$ 8,132	\$ 9,818	\$ 11,432
No. of policy inquiries handled	450	800	800	800
No. of presentation, training sessions, and workshops	81	100	100	100
No. of county home care reviews conducted	15	30	40	40

LEGISLATIVE ISSUES:

Legislation will be proposed in the areas of increased case management tools for administration of home care costs, increasing Medicare certified beds, and OBRA compliance.

FEDERAL ISSUES:

OBRA 1987 includes comprehensive reform of federal nursing home regulations including new conditions of participation in MA, increases in nursing aide training and inspection requirements, and new assessments and screening provisions.

ACTIVITY: LONG TERM CARE MANAGEMENT
(Continuation)
Program: HEALTH CARE
Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

REVENUE:

This activity earns federal administration reimbursement at the rate of 50% of expenditures. These reimbursements are deposited into the state general fund. Appropriations passed through to the Department of Health (MDH) earn federal administration reimbursement primarily at a 75% matching rate. These reimbursements are also passed through to MDH.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested to accomplish the goals of this activity except for the changes detailed on the following change pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : HEALTH CARE
BUDGET ACTIVITY : LONG TERM CARE MANAGEMENT

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	780	908	956	188	1,144	1,077	956	188	1,144	1,113
EXPENSES/CONTRACTUAL SRVCS	5,182	5,938	6,568	1,391	7,959	8,156	6,407	1,001	7,408	7,313
MISC OPERATING EXPENSES	55	71	71	11	82	76	71	6	77	76
SUPPLIES/MATERIALS/PARTS	44	8	8	0	8	8	8	1	9	9
CAPITAL EQUIPMENT	51	18	18	30	48	43	18	9	27	26
STATE OPERATIONS	6,112	6,943	7,621	1,620	9,241	9,360	7,460	1,205	8,665	8,537
LOCAL ASSISTANCE	150	0	0	523	523	212	0	1,060	1,060	409
TOTAL EXPENDITURES	6,262	6,943	7,621	2,143	9,764	9,572	7,460	2,265	9,725	8,946
CHANGE REQUESTS: FUND										
B CASE MANAGEMENT FOR NON WAIVER HOME CARE GEN				648		337		1,172		521
B SURVEY AND CERTIFICATION CONTRACT GEN				347		347		256		256
B STAFF INCREASE ICF/MR-DT-HABIL SYSTEM GEN				76		38		68		34
B NURS. HOME REFORM ACT:NURSING ASS'T GEN TRNG				1,007		1,207		594		500
B RTC NEGOTIATIONS - HEALTH DEPT LIC/CERT GEN				22		22		132		132
B RTC NEGOTIATIONS - RATE SET/AUDITING GEN				43		0		43		43
TOTAL CHANGE REQUESTS				2,143		1,951		2,265		1,486
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	3,071	3,443	3,491	2,143	5,634	5,442	3,491	2,265	5,756	4,977
STATUTORY APPROPRIATIONS:										
FEDERAL	3,191	3,500	4,130	0	4,130	4,130	3,969	0	3,969	3,969
TOTAL FINANCING	6,262	6,943	7,621	2,143	9,764	9,572	7,460	2,265	9,725	8,946
POSITIONS BY FUND:										
GENERAL	24.0	25.0	25.0	6.0	31.0	29.0	25.0	6.0	31.0	30.0

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : HEALTH CARE
BUDGET ACTIVITY : LONG TERM CARE MANAGEMENT

POSITIONS BY FUND:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
TOTAL POSITIONS	24.0	25.0	25.0	6.0	31.0	29.0	25.0	6.0	31.0	30.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: LONG TERM CARE MANAGEMENT
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: NURSING HOME REFORM ACT: NURSING ASSISTANT TRAINING

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$1,007	-0-	\$ 594	-0-
Governor's Recommendation				
General Fund	\$1,207	-0-	\$ 500	-0-

Request requires statutory change: X Yes _____ No
 Statutes Affected: 144A.61 - 144A.611

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to continue provisions of a 1988 budget rider to provide for training to nursing assistants employed in nursing homes as required by the Nursing Home Reform Act portions of the Omnibus Reconciliation Budget Act of 1987 (OBRA 87). Training is carried out by the Health Department (MDH) under contract to the department. This change request is part of the department's Medical Assistance (MA) initiative to strengthen program administration and improve federal compliance.

DESCRIPTION/BACKGROUND:

OBRA 87 requires that each state establish a 75 hour training curriculum on admission and competency evaluations for nursing assistants employed in nursing homes. All existing nursing assistant employees must be tested by 1-1-90. Each state must also establish an automated registry of nursing assistants who have successfully completed the competency evaluation and any nursing home employee convicted of abuse or neglect. These activities are required for approval of the MA state plan. These activities are carried out by the MDH under DHS contract. MDH may subcontract with the Board of Nursing and the Board of Vocational Technical Education.

This item is carried in the department's budget for the purpose of obtaining enhanced federal financial participation (FFP) under the MA program. In the 1988 Legislative session, \$150,000 was appropriated to the department under a rider for this activity for F.Y. 1989. This request asks for continued funding for this new activity. It will generate enhanced FFP of 78.07% through 7-1-90 and FFP of at least 50% thereafter. The funds will be used to conduct statewide competency evaluation testing procedures, to increase nursing assistant training courses from the present 30 hours to the required 75 hours throughout the state and for investigations of abuse and neglect and other activities necessary for maintenance of the registry. The requested funds reflect the state share. In addition, approximately \$380,000 of the F.Y. 1990 requested increase is needed to fund 11 new positions to meet the

new federal requirements for investigation and verification of resident abuse or neglect complaints and to develop and maintain a facility employee appeal process.

RATIONALE:

This activity is a requirement of the MA state plan and is necessary to comply with the Nursing Home Reform Act portions of OBRA '87.

BASE: None.

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 316	\$ 330

GOVERNOR'S RECOMMENDATION:

After review of this activity, the Governor recommends an alternative funding level of \$1,707,000 for the biennium. This increase reflects the most recent information available from the federal Health Care Financing Agency (HCFA), the overseer of the implementation of OBRA '87. The enhanced FFP that has been anticipated will probably not cover as many activities as had been indicated earlier.

CHANGE REQUEST _____ Agency _____ Program X Activity **1990-91 Biennial Budget**

ACTIVITY: LONG-TERM CARE MANAGEMENT
PROGRAM: HEALTH CARE
AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: STAFF INCREASE ICF/MR AND DAY TRAINING AND HABILITATION CLIENT-BASED SYSTEM

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 76	2.0	\$ 68	2.0
Governor's Recommendation				
General Fund	\$ 38	1.0	\$ 34	1.0

Request requires statutory change: _____ Yes X No
Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions for administration of the new ICF/MR and Day Training and Habilitation reimbursement systems. This change request is a part of the department's Medical Assistance (MA) initiative to strengthen program administration and improve compliance with state legislative mandates.

DESCRIPTION/BACKGROUND:

As mandated by Laws of Minnesota 1985, (First Special Session, ch. 9, art. 2, sec. 100) the department is completing a major research project designed to develop recommendations for a new rate-setting system for ICFs/MR based on client needs, and a strategy for day training and habilitation reimbursement. Laws of Minnesota 1988 M.S. sec. 256B.501. subd 3, mandates implementation of the new ICF/MR system which will be effective for rates beginning in October, 1990. M.S. sec. 252.46 mandates a new day training and habilitation reimbursement procedure effective 1-90. (The department proposes delaying implementation of that system until 1991 to allow for review of a pilot project authorized by the 1988 Legislature.)

This legislative mandate developed from a concern that MA payments are not targeted properly to those with the greatest need. This results in access problems for clients with heavier care needs moving from regional treatment centers and nursing homes into ICFs/MR and Day Training and Habilitation services. Estimated 1988 expenditures for ICFs/MR and Day Training and Habilitation services are over \$134 million. By tying service payments directly to individual service assessments, the state can use public resources more efficiently. The new systems also enable cost and client need comparisons and provide additional accountability for program dollars.

The growing complexity of issues in this area requires more intensive administrative policy development and management scrutiny.

The new systems require training of county case managers who will be involved in assessments, increased technical assistance to counties in setting rates for day training and habilitation agencies, integration of client assessments with cost report data, extensive revision of rate setting rules, including public involvement in that process, and increased technical assistance to providers. New ICFs/MR developing under exceptions to the moratorium will also generate increased pressure on existing staff resources. 2.0 additional FTEs are needed for effective ongoing administration of this complex, multi-million dollar activity. Additional audit activities also required are indicated on a separate change page.

RATIONALE:

Increased flexibility in the system to meet the needs of ICFs/MR and Day Training and Habilitation clients requires more administrative scrutiny. New staff will be responsible for coordinating initial and ongoing training for county case managers who will have assessment responsibilities for both systems.

These systems also will provide for additional reimbursement for RTC residents moving into ICFs/MR. Additional staff for oversight of this process to target payment and prevent duplicate reimbursement will be necessary.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 43	\$ 43	\$ 43	\$ 43

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 68	\$ 68

GOVERNOR'S RECOMMENDATION:

The Governor recommends 1/2 the requested funds and positions. Since the Governor recommends delaying the implementation of the Day Training and Habilitation System until 1-1-91, the department should need only 1.0 additional person for the administration of the new ICF/MR reimbursement system.

This recommendation generates \$36,000 for the biennium in non-dedicated receipts to the General Fund.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: LONG TERM CARE MANAGEMENT
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: SURVEY AND CERTIFICATION CONTRACT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 347	-0-	\$ 256	-0-

Governor's Recommendation

General Fund	\$ 347	-0-	\$ 256	-0-
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Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to provide survey, certification, and inspection of care and case mix reimbursement activities carried out by the Minnesota Department of Health (MDH) under contract to the department.

DESCRIPTION/BACKGROUND:

Title XIX of the Social Security Act requires that each state survey and certify each nursing home and Intermediate Care Facility for the Mentally Retarded (ICF/MR) for purposes of participation in the Medical Assistance (MA) program. It also requires that each nursing home and ICF/MR recipient whose care is paid for under MA be annually evaluated for the appropriateness and adequacy of the care provided. M.S. sec. 256B.501, subd. 3 provides that data collected in ICFs/MR during inspection of care activities be used in the client based reimbursement system for ICFs/MR.

The above increase in funds is primarily requested to allow for currently negotiated and anticipated increases in personnel costs for these activities to be funded during the biennium; routine training and data processing costs for ICF/MR assessments; preadmission screening assessments related to the nursing home case mix system; and funds for 8.0 new positions for technical consultation and training in response to the federal Nursing Home Reform Act. Funds are included for a study on certification and licensure issues related to new housing and configurations in which long term care is being provided. This item is carried in the department's budget for the purposes of obtaining federal financial participation under the MA program. These activities generate up to 75% federal financial participation. Request figures reflect the state share of total expenditures.

These activities are carried out by MDH under contract. An inflationary increase is not automatically included for salary items since this contract appears in the supply and expense portion of the department's budget. However, actual supply and expense costs for the MDH account for only 12% of

this contract. The contract is primarily salary costs.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Case mix assessments processed (nursing home)	146,770	150,000	150,000	150,000
Client based reimbursement assessments processed (ICF/MR)	-0-	3,250	6,000	6,000

RATIONALE:

As described above, this increase is primarily required because this contract is funded as a supply and expense item for the department and represents primarily salary costs for the MDH. Increased training and data processing are needed due to federal and state requirements. The increased staffing is required to comply with the Nursing Home Reform Act portions of the Omnibus Reconciliation Budget Act of 1987.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 1,854	\$ 1,973	\$ 1,973	\$ 1,973

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 256	\$ 256

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: LONG TERM HEALTH CARE MANAGEMENT
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: CASE MANAGEMENT FOR NON-WAIVER HOME CARE SERVICES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 648	3.0	\$1,172	3.0
Governor's Recommendation				
General Fund	\$ 337	3.0	\$ 521	3.0

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 256B.02, subd. 8.U.

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to provide coordination of Medical Assistance (MA) home care service for the brain injured and other special populations. This is a department initiative to provide efficient and cost-effective management of the MA program.

The proposed case management system will seek to assure cost effectiveness of MA home care, provide care coordination for brain injured and MA special populations to allow these individuals to remain in the community, localize/decentralize assessment and authorization of home care services, review the appropriateness and quality of services, and generate higher federal financial participation (FFP) for case management functions.

Three new positions are also required to handle the increasing responsibilities of MA home care administration.

DESCRIPTION/BACKGROUND:

The 1987 Legislature authorized case management for the brain injured as an optional service under MA. While the department agrees that case management is needed for brain injured persons, other similar populations have the same need. Furthermore, case management can be more effectively provided as an MA administrative cost, and when provided by health professionals, can generate a higher FFP (75%) than as a service option (53%).

Currently case management is provided to persons receiving MA home care under the home and community-based waiver program. Under the waiver, case managers provide reassessment of the need for services, coordination of multiple caregivers in complex cases, quality assurance, and sign off on care plans to assure the correct level of service. This function is useful both to clients and to the department and assures cost effectiveness of care. However the department has no similar mechanism for the larger population of home care clients served under the regular (nonwaiver) MA program. This model of case

management cannot be provided as a service option under MA but is considered an allowable MA administrative cost. As MA home care is expected to continue to expand, it is in danger of becoming increasingly provider driven since providers develop care plans and bill for services without independent review. In addition, while many home care clients are capable of directing their own care, some clients, such as the brain injured and frail elderly, require assistance in coordinating services to enable them to remain at home and to stay out of more costly institutional settings.

To fill this gap, the department proposes to obtain an administrative contract to provide case management services to persons receiving MA home care who need such services. Clients will be identified and referred for case management when they require prior authorization and assessment of their care plans because they exceed established payment thresholds, or when they are unable to direct their own care. It is expected that about 10% of persons receiving home care under MA would receive case management (about 1,156 persons in 1991). Case managers would be RNs with expertise in home care and local resources and would be located regionally. They would not be home care providers. Case managers will perform the following:

1. Assessment and reassessment of the need for home care and authorization of a care plan for persons referred to the case manager;
2. Functions necessary for prior authorization and cost effectiveness of services when costs exceed established thresholds;
3. Access and coordination of services necessary to allow the individual to remain in the community, including nursing visits, private duty nursing, home health aide, personal care, therapies, medical supplies, and equipment; and
4. Problem solving and quality assurance to assure continuity of services and prevent inappropriate care and services.

Payment for this service would be as an MA administrative cost. FFP would be 75%. There will no longer be a need for case management as an optional service for the brain injured as they will be served under this proposal.

New positions are also requested for management and administration of home care policy. MA home care was greatly expanded under Rule 47 in 1987 in response to consumer demands but without additional administrative resources.

The number of providers and clients dealt with by the existing waiver service staff has doubled as have telephone calls related to MA home care. Professional staff are needed to administer the program which includes personal care assistance and private duty nursing services, as well as to approve prior authorizations. These positions are needed regardless of the case management proposal.

Costs included in this change request reflect 100% of the total cost. However, 75% FFP would be generated for the administrative contract for regional case managers resulting in a net savings to the state when compared with providing case management as a service option to the brain injured.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number receiving MA Home Care	9,570	10,192	10,854	11,560
Number served under managed care system	-0-	-0-	543	1,156

CHANGE REQUEST 1990-91 Biennial Budget
____ Agency ____ Program X Activity
(Continuation)

ACTIVITY: LONG TERM HEALTH CARE MANAGEMENT
PROGRAM: HEALTH CARE
AGENCY: HUMAN SERVICES, DEPARTMENT OF

RATIONALE:

This proposal is an alternative to the current requirement to provide case management as a service option under MA to the brain injured. Case management services provided under this proposal would generate 75% rather than 53% FFP resulting in a net state savings for the biennium at the same time, serving more persons who need case management. Without an alternative, the department will be required to provide a new model of case management which is inconsistent with the models now used under existing home care services provided under the waiver. In addition, under the current requirement, populations with needs identical to those of the brain injured would not be served. This proposal provides the department with a useful management tool for cost effectiveness in the growing home care program, provides services expected by the brain injured and similar populations, and maximizes FFP.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	<u>(Dollars in Thousands)</u>	
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>
General Fund Expenditures	\$ 1,172	\$ 1,172

GOVERNOR'S RECOMMENDATION:

After review of this activity, the Governor recommends an alternative funding level of \$858,000 for the biennium. The Governor supports the transfer of case management for the brain injured from an MA service option to an MA administrative function. But while the Governor believes additional special populations could benefit from case management services, other spending priorities preclude further funding.

This recommendation will generate \$644,000 for the biennium in non-dedicated receipts to the General Fund.

ACTIVITY: AUDITS **1990-91 Biennial Budget**
Program: HEALTH CARE
Agency: HUMAN SERVICES, DEPARTMENT OF

ACTIVITY OBJECTIVE: To manage an efficient and cost-effective system of auditing long term care (LTC) facilities, grantees, and contractors of the department. Reimbursement rates are set for nursing homes, intermediate care facilities for the mentally retarded (ICF's/MR), and inpatient hospitals to assure quality services are provided at reasonable cost.

EFFECTIVENESS MEASURES:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
LTC payment rates set on time	100%	100%	100%	100%
Required LTC field audits completed	50%	5%	75%	75%
Dollars recovered per audit dollar spent	\$ 8.50	\$ 12.50	\$ 12.00	\$ 11.30

ACTIVITY DESCRIPTION: This activity is responsible for the compliance auditing of 445 nursing homes and 310 ICF's/MR. On a request basis, the division is responsible to conduct financial and compliance audits for over 200 grantees and contractors of the department. The audits are conducted in accordance with federal audit standards and are coordinated with other audit agencies to reduce any duplication of effort. This activity also establishes payment rates for LTC facilities paid through the Medical Assistance (MA) program and inpatient hospitals paid through the MA and General Assistance Medical Care (GAMC) programs.

The major functions of this activity are:

1. Establishing LTC payment rates and desk auditing cost reports in accordance with state reimbursement rules.
2. Conducting on-site audits of nursing home and ICF's/MR financial books and records as required by state laws and rules to determine that desk audited and appeal settlement rates are correct and that reported costs meet state and federal requirements.
3. Verifying that contractors, grantees, and local agencies report costs accurately, meet the performance standards, budgets, and expenditure limitations of their agreements.
4. Establishing inpatient payment rates for acute care hospitals using a diagnostic related group reimbursement system.
5. Developing acute care hospital reimbursement policy and conducting research into streamlining the acute care hospital reimbursement system and making the system more equitable.
6. Evaluating the department's control of expenditures and compliance with standards through internal audits.
7. Establishing and administering the acute care utilization review activities of the department.

ACCOMPLISHMENTS AND GOALS: The department computerized the 4 reimbursement rules in order to speed field audit rate calculations, saving 4 to 6 hours of staff time for each rate calculation. During F.Y. 1988, the federal government also audited the department desk examinations of nursing home cost reports and determined that the desk audit policies and procedures used by the division's staff satisfactorily followed the reimbursement rule.

During F.Y. 1988, the hospital reimbursement section took a lead role in assisting the state Legislature in amending state statutes to clarify ambiguities in statute and rules that presented federal compliance issues. Based on

the law changes, the state plan was modified to eliminate future federal disallowances. Rule 48, which governs hospital utilization, was redrafted to correct inequities, remove financial incentives and better define readmission criteria. Rule 48 was duly promulgated in late 1988. The section also prepared a report to the Legislature that detailed interactions and provided recommendations regarding the hospital payment system for mental health.

For the next biennium, the rate setting unit will be concentrating their efforts in establishing a rate setting system for the new ICF/MR client based reimbursement rule; reviewing nursing homes for compliance to the wage/salary adjustment given nursing homes in the 1988 session; and rebasing the nursing home other operating and care related cost limits.

The department's priorities also included the reduction of LTC appeals. Starting in January, 1988, the field audit staff complement was reduced and assigned to resolve appeals. This significantly reduced the division's ability to complete field audits. Field audits are limited to those LTC facilities that terminated participation in the MA program.

ACTIVITY STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. of LTC facilities				
Nursing Homes	445	445	445	445
ICF/MR	310	310	305	305
No. of initial rates established				
Nursing Homes	445	445	445	445
ICF/MR	620	310	310	300
No. of Field Audits started	21	28	150	150
No. of Field Audits completed	119	125	150	150
No. of rates recalculated due to appeal settlement, amendments, one-time adjustment, and Life Safety code adjustments	1,245	857	700	700
Amount of cost avoidance through LTC rate setting (000's)	\$ 6,000	\$ 7,000	\$ 7,000	\$ 7,000
Amount of Field Audit disallowances (000's)	\$ 9,000	\$ 10,000	\$ 10,000	\$ 10,000
No. of inpatient hospital rates established	220	250	230	230

LEGISLATIVE ISSUES: The department will be proposing legislation to alter the current hospital payment system, conduct research in inpatient and outpatient hospital reimbursement, reduce potential federal disallowances, increase the budget for a utilization review contract, and develop a new reimbursement system for ICF/MR and day training and habilitation providers.

REVENUE: This activity earns federal administration reimbursement at the rate of 50% of its expenditures. These reimbursements are deposited into the state general fund.

EXPLANATION OF BUDGET REQUEST: The BASE level of funding is requested for this activity except for the changes detailed on the following change pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : HEALTH CARE
BUDGET ACTIVITY : AUDITS

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	1,206	1,144	1,214	327	1,541	1,360	1,214	432	1,646	1,617
EXPENSES/CONTRACTUAL SRVCS	174	728	865	391	1,256	1,235	865	330	1,195	1,184
MISC OPERATING EXPENSES	34	74	74	33	107	81	74	54	128	125
SUPPLIES/MATERIALS/PARTS	17	10	10	4	14	12	10	7	17	16
CAPITAL EQUIPMENT	46	13	13	82	95	54	13	66	79	73
TOTAL EXPENDITURES	1,477	1,969	2,176	837	3,013	2,742	2,176	889	3,065	3,015
CHANGE REQUESTS: FUND										
B RESTRUCTURING OF ICF/MR RATE SETTING					111	55		100		50
B MODIFY HOSPITAL REIMBURSEMENT SYSTEM					511	511		407		407
B RTC NEGOTIATION - RATE SET/AUDITING					215	0		382		382
TOTAL CHANGE REQUESTS					837	566		889		839
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,477	1,969	2,176	837	3,013	2,742	2,176	889	3,065	3,015
TOTAL FINANCING	1,477	1,969	2,176	837	3,013	2,742	2,176	889	3,065	3,015
POSITIONS BY FUND:										
GENERAL	45.0	37.0	37.0	8.0	45.0	39.0	37.0	12.0	49.0	48.0
TOTAL POSITIONS	45.0	37.0	37.0	8.0	45.0	39.0	37.0	12.0	49.0	48.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: AUDITS
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: RESTRUCTURING OF RATE SETTING SYSTEM FOR INTERMEDIATE CARE FACILITIES FOR THE MENTALLY RETARDED

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 111	2.0	\$ 100	2.0
Governor's Recommendation				
General Fund	\$ 55	1.0	\$ 50	1.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to implement and maintain a new data processing reimbursement system for intermediate care facilities for the mentally retarded (ICFs/MR) providers which is based on the service needs of clients. It is a department initiative to strengthen program administration mandated by state statutes.

DESCRIPTION/BACKGROUND:

The department is in the final stages of designing a new reimbursement system for clients served by ICF/MR providers. The change request under the long-term care management budget activity titled "Staff increase for administration of new intermediate care facilities for the mentally retarded and day training and habilitation client-based systems" details the department's progress in developing this new system.

This activity has the responsibility to implement this new reimbursement system by designing audit procedures based on the new payment method, coordinating the rate setting system with the invoice processing and client information systems of the Minnesota Medicaid Information System (MMIS), establishing the new payment rates, and then maintaining the data processing system in future years.

RATIONALE:

This request is necessary to implement, audit, establish, and maintain the new client based reimbursement system being designed for ICFs/MR providers.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 436	\$ 469	\$ 469	\$ 469

LONG RANGE IMPLICATIONS: (Dollars in Thousands)
 F.Y. 1992 F.Y. 1993

General Fund Expenditures \$ 100 \$ 100

GOVERNOR'S RECOMMENDATION:

The Governor recommends 1/2 the requested funds and positions. The Governor believes the agency's present staff should assume the remaining workload. This request will generate \$52,000 for the biennium in non-dedicated receipts to the General Fund.

CHANGE REQUEST 1990-91 Biennial Budget
 Agency Program Activity

ACTIVITY: AUDITS
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: MODIFICATION TO THE HOSPITAL REIMBURSEMENT SYSTEM AND THE UTILIZATION REVIEW CONTRACT

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
General Fund	\$ 511	1.0	\$ 407	1.0
Governor's Recommendation				
General Fund	\$ 511	1.0	\$ 407	1.0

Request requires statutory change: Yes No
 Statutes Affected: 256.969

STATEMENT OF REQUEST/OBJECTIVE:

The department requests funds and a position to develop a Medical Assistance (MA) and General Assistance (GA) reimbursement system that establishes an adequate prospective payment rate to acute care hospitals to increase funding for the utilization review contract, and to automate the department's rate setting system. It is a department initiative to provide more efficient and cost effective management of the MA program.

DESCRIPTION/BACKGROUND:

In 1985, the department introduced a diagnostic related group (DRG) payment system for the acute care hospitals. Over the last 3 years, numerous problems have been identified. These include inequities in the DRGs, a property rate that is not prospective, poor criteria for utilization review, manual rate setting, and claim processing delays. In addition, a review of outpatient reimbursement must be undertaken so payment mechanisms for outpatient and inpatient services complement each other. Three unclassified non-complement staff will be used to research, analyze, and develop changes to both the inpatient and outpatient reimbursement systems.

RATIONALE:

The department is requesting 1.0 position to develop, operate, and maintain the department's hospital data processing systems. These systems include automated rate setting, a management oriented data base, improved claim processing and a prospective property system.

RATIONALE:

With our limited program resources, the department must balance the inpatient and outpatient needs of clients, remove the inequities of the DRG systems, and automate the various payment systems of the department. Addi-

tionally, a new utilization review contract was established for the biennium to include second surgical opinions.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 878	\$ 881	\$ 881	\$ 881

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 189	\$ 189

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. This request will generate \$460,000 for the biennium in non-dedicated receipts to the General Fund.

ACTIVITY: PROVIDER APPEALS
 Program: HEALTH CARE
 Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

To resolve rates appeals filed by nursing homes, intermediate care facilities for the mentally retarded (ICF/MR), and acute care hospitals.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Desk audit appeals resolved	30%	60%	30%	30%
Rule 49/52 appeals resolved	51%	90%	100%	-0-

ACTIVITY DESCRIPTION:

This activity is responsible for resolving through settlement or contested case hearings the rate appeals filed by 445 nursing homes, 310 ICF's/MR, and 160 acute care hospitals. Approximately 500 appeals are filed each year with respect to desk audits, and 100 providers file appeals each year in response to later field audit adjustments. In addition, there is a backlog of 423 appeals filed under the prior rate setting rules 49 and 52.

The primary role of this activity is to serve as the final step in determining long term care rates in a manner consistent with law and legislative goals. The appeals process is handled by staff attorneys who attempt to negotiate and clarify issues before utilizing the more costly formal hearing process. During the next biennium an expedited appeal process will be used for the first time.

The appeals staff is involved in acute care hospital appeals in an advisory capacity.

ACCOMPLISHMENTS AND GOALS:

One of the department's priorities during the last 2 years has been to reduce the backlog of appeals and to address current appeals in a more timely fashion.

In F.Y. 1988, the number of total unresolved appeals went down for the first time, even though 600 new appeals were filed during the year. This was made possible by the use of additional staff hired through the special project fund to maximize reimbursements. While the additional staff has been responsible for progress on both the backlog and current appeals, funds used for this purpose were generated by recoveries made through resolving appeals under prior rules. As the backlog of older appeals approaches completion, recoveries from appeals will disappear; this means that additional staff will no longer be available and that the special project fund will no longer provide funding for the additional appeal staff. This staff reduction will create a new backlog of appeals.

Because of the review process for appeals, providers do not generally receive the full amount claimed on an appeal. In F.Y. 1988 alone, cases that were referred to formal hearing procedures resulted in a savings of approximately \$5,000,000 to the state. This amount would have been paid out if the division had conceded the appealed issues. Figures are not available to compare savings generated by informal resolutions. These savings point up the need

for continued careful review, analysis and response to appeals.

The department also receives approximately 300 appeals to field audit adjustments and other audit adjustments each year. The resolution of these cases will result in some collections into the future, but at significantly lower levels than experienced while the backlog was being dealt with.

During the next biennium, smaller or less critical issues will be handled through an expedited appeal procedure. The goal is to speed up the resolution process for smaller issues in order to devote time and resources to the major issues.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Rule 49/52 appeals	423	42	-0-	-0-
Desk audit appeals	1,391	756	879	965
Field audit appeals	298	398	648	898
Recoveries (000's)	\$ 1,400	\$ 1,000	\$ -0-	\$ -0-

REVENUE:

This activity earns federal administrative reimbursement at the rate of 50% of expenditures. Those reimbursements are deposited into the state general fund.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity except for the changes detailed on the following change page.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : HEALTH CARE
BUDGET ACTIVITY : PROVIDER APPEALS

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	507	934	942	200	1,142	1,142	942	200	1,142	1,142
EXPENSES/CONTRACTUAL SRVCS	333	178	178	61	239	239	178	62	240	240
MISC OPERATING EXPENSES	3	27	27	7	34	34	27	7	34	34
SUPPLIES/MATERIALS/PARTS	6	9	9	6	15	15	9	4	13	13
CAPITAL EQUIPMENT	24	9	9	28	37	37	9	2	11	11
TOTAL EXPENDITURES	873	1,157	1,165	302	1,467	1,467	1,165	275	1,440	1,440
CHANGE REQUESTS: FUND										
B PROVIDER APPEAL STAFF				302		302		275		275
TOTAL CHANGE REQUESTS				302		302		275		275
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	0	383	391	302	693	693	391	275	666	666
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	873	774	774	0	774	774	774	0	774	774
TOTAL FINANCING	873	1,157	1,165	302	1,467	1,467	1,165	275	1,440	1,440
POSITIONS BY FUND:										
GENERAL	0.0	9.0	9.0	7.0	16.0	16.0	9.0	7.0	16.0	16.0
TOTAL POSITIONS	0.0	9.0	9.0	7.0	16.0	16.0	9.0	7.0	16.0	16.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: PROVIDER APPEALS
 PROGRAM: HEALTH CARE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: PROVIDER APPEALS STAFF

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
General Fund	\$ 302	7.0	\$ 275	7.0

Governor's Recommendation

General Fund	\$ 302	7.0	\$ 275	7.0
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Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to resolve long term care provider appeals on a timely basis. This change request is a part of the department's Medical Assistance (MA) initiative to reduce the long term care rate appeals backlog.

DESCRIPTION/BACKGROUND:

The department has already made significant progress in reducing the appeals backlog and in addressing current appeals on a timely basis. With the loss of the special project fund, a three-year backlog will be built up once again by the end of the 1990-91 biennium. The above request positions will replace some of the 15 unclassified positions that were funded from this special project. With the additional staff, appeals can be resolved on a nearly current basis.

The expedited appeal procedures enacted by the 1988 Legislature created timelines for the resolution of certain appeals. Failure to meet those goals will result in higher MA program spending by allowing payments to be made on inappropriate claims. The additional staff will ensure that these timelines are met.

Current appeals, if resolved in favor of a provider, generally result in additional payments to the provider. Proper administration of these appeals saves program dollars for the state. Additionally, a number of current appeals relate to field audit adjustments, which cannot be collected by the state until they are resolved. Unless sufficient staff is available, the state may forego collections, as well as become liable for the federal share.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Desk audit appeals	1,391	756	502	211
Field audit appeals	298	398	498	598
Recoveries (000's)	\$ 1,400	\$ 1,000	\$ 400	\$ 400

RATIONALE:

This request is necessary to meet statutory deadlines and to control the cost of appealed claims.

<u>BASE:</u>	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 1,013	\$ 912	\$ 392	\$ 392

<u>LONG RANGE IMPLICATIONS:</u>	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 275	\$ 275

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. This request will generate \$289,000 for the biennium in non-dedicated receipts to the General Fund.

PROGRAM: STATE RESIDENTIAL FACILITIES
AGENCY: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

PROGRAM PURPOSE: The purpose of the State Residential Facilities Program is to assist persons with mental illness, developmental disabilities, chemical dependency and psycho-geriatric treatment needs to achieve the maximum degree of self-sufficiency possible in the most appropriate and least restrictive setting.

OPERATIONS: The State Residential Facilities Program encompasses 8 regional treatment centers, the Minnesota Security Hospital, 2 state-operated nursing homes, and the Residential Program Management Division. The regional treatment centers provide habilitative and rehabilitative programs for individuals with mental illness, developmental disabilities, or chemical dependency who are in need of active treatment services to achieve a level of self-sufficiency which will enable them to live and function in a more normal community setting. The Minnesota Security Hospital provides multidisciplinary forensic evaluation and therapy services for individuals suffering from acute and chronic major mental disorders which may manifest in severely aggressive and/or dangerous behaviors. The state-operated nursing homes provide care and individualized rehabilitative programs for elderly persons who have behavior problems and/or complex medical conditions which cannot be adequately served in alternative community settings. The Residential Program Management Division provides managerial direction for the administrative and programmatic functions of the residential facilities in order to assure uniform and effective utilization of human and fiscal resources, and quality care and active treatment for served individuals.

MAJOR POLICY ISSUES: The principal issue confronting the state residential facilities is the need to clarify their future role for the next 10 or more years. This action is essential to insure programs are structured to meet the needs of clients and to assure efficient and effective utilization of limited resources.

The developmentally disabled population is steadily decreasing at a rate of 150-200 individuals each year. In the past few years, the department has developed and operated pilot projects which demonstrate that the most medically fragile persons and individuals with challenging behavior problems can be served in a community setting. Accordingly, the department believes that the population remaining in the regional treatment centers can best be served in small homes for 6 people or less supported by community based habilitation services.

The mentally ill population served by the regional treatment centers has remained relatively stable in recent years. The Mental Health Initiative enacted by the 1987 Legislature requires counties to offer a full range of mental health services which should result in increased alternatives to hospitalization. The department believes the regional treatment centers should continue to perform a major role in providing psychiatric treatment to persons with major mental illness, and that these services should be closely linked with community based mental health services. Additionally, both the Health Care Financing Administration and Joint Commission on Accreditation of Health Care Organizations have placed an increased emphasis on active psychiatric treatment standards which has severely strained the regional treatment centers' capacity for compliance within current staffing and funding levels.

On 1-1-88 the Consolidated Chemical Dependency Treatment Fund (CCDTF) took effect which resulted in chemical dependency programs operated by the region-

al treatment centers being placed in direct competition with other service providers. Although admissions to regional treatment centers have dropped significantly since implementation of the CCDTF, the Department believes the situation has begun to stabilize and that the regional treatment centers can be competitive in providing effective treatment services for certain types of persons.

Primarily through the operation of the 2 state-operated nursing homes, the department performs a limited role as a direct provider of nursing care to elderly persons who exhibit challenging behavior problems and complex medical needs. Although the provision of services to elderly persons who cannot be adequately served in alternative community settings is an appropriate role for the state residential facilities, the department believes these individuals would be better served by expanding the number of service sites within the existing number of licensed beds.

In addition to the necessity of determining the future role for the residential facilities, the department is concerned that the existing physical plant in many instances is old, inadequate and does not readily lend itself to modern treatment requirements. Inadequate living and program environments not only inhibit active treatment in some instances, they are even counter-productive.

PROGRAM PRIORITIES:

1. Department Initiatives:

Regional Treatment Center Quality Improvement:

- To implement a systemwide quality assurance system, including a review function, so as to establish an organized approach to monitoring the quality and appropriateness of care and treatment, pursue opportunities to improve services, resolve identified problems and monitor outcomes of corrective action plans.
- To enhance the quality of life for patients and residents by increasing the food allowance to a level comparable with other care providers, switching from cloth diapers to disposable briefs for incontinent individuals, and implementing universal precautions for infection control to preclude the spread of Human Immunodeficiency Virus (HIV).
- To increase the level of staff to meet the demands created by volatile patients served at the Minnesota Security Hospital.
- To improve service for developmentally disabled persons by expanding state-operated community group homes.

Information Systems Initiatives:

- To develop an information system that will link all 10 residential facilities into a comprehensive, integrated automated system which will enhance the quality of facility management.

Regional Treatment Center Negotiations:

2. Other Program Priorities

- To provide adequate funding for goods and services necessary to create and maintain an environment for patients and residents which is conducive to active treatment.
- To restore funding essential for general support services.

GOVERNOR'S RECOMMENDATION: The Governor recommends a base of \$402,492,000 and a biennial increase of \$12,685,000 for the F.Y. 1990-91 budget. Details for increased funding can be found on the following budget activity CHANGE request pages. 68000.WP 1/10/89 AM

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : STATE RESIDENTIAL FACILITIES

ACTIVITY EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
RTC SYSTEMWIDE	0	0	0	5,408	5,408	5,158	0	3,878	3,878	3,628
B ENHANCED NUTR. CONTENT MEALS & MENU VAR. GEN				525		525		510		510
B IMPLEMENT UNIVERSAL PRECAUTION INFECTION GEN				375		375		375		375
B DISP. BRIEFS FOR INCONTINENT RES. & GEN PAT.				975		975		975		975
B DISP. BRIEFS FOR INCONTINENT RES. & GEN PAT.				<169>		<169>		<169>		<169>
B FUNDING FOR SALES TAX & REGULATORY FEES GEN				250		0		250		0
B DISP. BRIEFS FOR INCONTINENT PAT. - NH GEN				<61>		<61>		<61>		<61>
B RTC NEG - PERSONNEL MITIGATION GEN				2,363		2,363		844		844
B RTC NEG - RESID FACIL DECREASE GEN				0		0		<7,429>		<7,429>
B RTC NEG - SOCS INCREASES GEN				0		0		7,433		7,433
B RTC NEG - INFO SYSTEMS - SOCS GEN				1,150		1,150		1,150		1,150
RESIDENTIAL FACILITIES MANAGEMENT	2,619	1,264	1,143	5,868	7,011	2,881	1,143	4,392	5,535	2,731
B SUPPORT QUALITY IMPROVEMENT ACTIVITIES GEN				386		386		375		375
B AUTOMATION FOR IMPROVED QUALITY GEN				3,460		0		2,804		0
B RTC NEGOTIATION - METRO FACIL/SOCS PLAN GEN				670		0		0		0
B RTC NEG - COMMUNITY GROUPS GEN				175		175		70		70
B RTC NEG - CTS GEN				1,177		1,177		1,143		1,143
ANOKA METRO RTC	16,517	19,248	20,077	0	20,077	20,077	19,945	0	19,945	19,945
BRAINERD RHSC	21,660	21,928	22,828	0	22,828	22,828	22,616	0	22,616	22,616
CAMBRIDGE RHSC	23,438	23,402	24,437	0	24,437	24,437	24,168	0	24,168	24,168
FARIBAULT RC	33,116	33,072	34,600	0	34,600	34,600	34,262	0	34,262	34,262
FERGUS FALLS RTC	20,694	20,116	22,211	0	22,211	22,211	22,016	0	22,016	22,016
MOOSE LAKE RTC	17,710	17,414	18,536	0	18,536	18,536	18,359	0	18,359	18,359
ST. PETER RTC	20,897	22,637	23,918	0	23,918	23,918	23,708	0	23,708	23,708
SECURITY HOSPITAL	6,810	7,482	7,589	1,867	9,456	8,489	7,589	1,818	9,407	9,389
B IMPROVE SERVICES AT MSH GEN				1,867		900		1,818		1,800
WILLMAR RTC	23,028	23,258	24,292	0	24,292	24,292	24,120	0	24,120	24,120
ROCHESTER STATE HOSPITAL	112	104	104	0	104	104	104	0	104	104
SNH SYSTEMWIDE	0	0	0	712	712	640	0	738	738	666

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : STATE RESIDENTIAL FACILITIES

ACTIVITY EXPENDITURES:	F.Y. 1990						F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
B ENHANCED NUTR. CONTENT MEALS & MENU VAR. GEN				35		35		61		61	
B IMPLEMENT UNIVERSAL PRECAUTION INFECTION GEN				175		175		175		175	
B DISPOSABLE BRIEFS-INCONTINENT PATIENTS GEN				430		430		430		430	
B FUNDING FOR SALES TAX & REGULATORY FEES GEN				72		0		72		0	
AH-GMAH-CHING NURSING HOME	10,666	11,146	11,749	0	11,749	11,749	11,651	0	11,651	11,651	
OAK TERRACE NURSING HOME	10,235	10,739	11,033	<796>	10,237	10,237	10,932	<2,637>	8,295	8,295	
B RTC NEG - OAK TERRACE REDUCTION GEN				<11>		<11>		<32>		<32>	
B RTC NEG - OAK TERRACE REDUCTION GEN				<16>		<16>		<49>		<49>	
B RTC NEG - OAK TERRACE REDUCTION GEN				<7>		<7>		<21>		<21>	
B RTC NEG - OAK TERRACE REDUCTION GEN				<4>		<4>		<12>		<12>	
B RTC NEG - OAK TERRACE REDUCTION GEN				<15>		<15>		<44>		<44>	
B RTC NEG - OAK TERRACE REDUCTION GEN				<15>		<15>		<51>		<51>	
B RTC NEG - OAK TERRACE REDUCTION GEN				<400>		<400>		<1,335>		<1,335>	
B RTC NEG - OAK TERRACE REDUCTION GEN				<328>		<328>		<1,093>		<1,093>	
TOTAL EXPENDITURES	207,502	211,810	222,517	13,059	235,576	230,157	220,613	8,189	228,802	225,658	
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	192,016	190,282	202,198	13,059	215,257	209,838	200,294	8,189	208,483	205,339	
STATUTORY APPROPRIATIONS:											
GENERAL	2,807	3,171	2,595	0	2,595	2,595	2,595	0	2,595	2,595	
SPECIAL REVENUE	148	259	259	0	259	259	259	0	259	259	
FEDERAL	301	178	175	0	175	175	175	0	175	175	
AGENCY	4,194	4,354	4,354	0	4,354	4,354	4,354	0	4,354	4,354	
GIFTS AND DEPOSITS	27	27	27	0	27	27	27	0	27	27	
ENDOWMENT	1	0	0	0	0	0	0	0	0	0	
ENTERPRISE	8,008	13,539	12,909	0	12,909	12,909	12,909	0	12,909	12,909	
TOTAL FINANCING	207,502	211,810	222,517	13,059	235,576	230,157	220,613	8,189	228,802	225,658	

POSITIONS BY FUND:

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : STATE RESIDENTIAL FACILITIES

POSITIONS BY FUND:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
GENERAL	5,398.9	5,426.1	5,410.6	2.0	5,412.6	5,408.6	5,410.6	<161.0>	5,249.6	5,239.6
FEDERAL	3.3	2.8	1.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0
ENTERPRISE	345.1	345.0	211.5	0.0	211.5	211.5	211.5	0.0	211.5	211.5
TOTAL POSITIONS	5,747.3	5,773.9	5,623.1	2.0	5,625.1	5,621.1	5,623.1	<161.0>	5,462.1	5,452.1

ACTIVITY: REGIONAL TREATMENT CENTERS
 SYSTEMWIDE
 Program: STATE RESIDENTIAL FACILITIES
 Agency: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

To provide active treatment consistent with industry standards and state/federal regulations for persons with mental illness (MI), developmental disabilities (DD), or chemical dependency (CD). The objective is to complement program alternatives in the service area by assisting individuals, in the least restrictive setting and shortest length of stay possible, to make documented progress toward personal habilitative or rehabilitative goals, which are necessary for their successful reintegration into normal community life.

ACTIVITY DESCRIPTION:

This budget activity is an aggregation of the budget activities for the regional treatment centers:

- Anoka-Metro Regional Treatment Center (AMRTC)
- Brainerd Regional Human Services Center (BRHSC)
- Cambridge Regional Human Services Center (CRHSC)
- Faribault Regional Center (FRC)
- Fergus Falls Regional Treatment Center (FFRTC)
- Moose Lake Regional Treatment Center (MLRTC)
- St. Peter Regional Treatment Center (SPRTC)
- Minnesota Security Hospital (MSH)
- Willmar Regional Treatment Center (WRTC)
- *Rochester State Hospital (RSH)

* RSH closed in June, 1982, and the budget activity is limited to ongoing payments for workers' compensation claims.

The following chart indicates the type of program services provided by each of the regional treatment centers:

	<u>MI</u>	<u>DD</u>	<u>CD</u>
AMRTC	X		X
BRHSC	X	X	X
CRHSC		X	
FRC		X	
FFRTC	X	X	X
MLRTC	X	X	X
SPRTC	X	X	X
MSH		X	
WRTC	X	X	X

Each RTC strives to provide their service area with the most efficient and effective habilitative and rehabilitative program services possible within the resources available. The single goal is to ensure attainment of each individual's self-sufficiency goals, within the least restrictive environment necessary to minimize the likelihood of physical harm to self or others, so as to maximize their potential to live and function in a more normal community setting.

ACTIVITY STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Average Daily Population Total	3,254	3,094	2,921	2,756
Mentally Ill	1,330	1,365	1,379	1,387
Developmentally Disabled	1,559	1,418	1,231	1,053
Chemically Dependent	365	311	311	316
Admissions Total	7,280	7,021	6,828	6,877
Mentally Ill	3,135	2,765	2,775	2,780
Developmentally Disabled	116	94	86	86
Chemically Dependent	4,029	4,162	3,967	4,011
Discharges Total	7,590	7,034	6,919	6,967
Mentally Ill	3,008	2,653	2,688	2,701
Developmentally Disabled	265	235	273	264
Chemically Dependent	4,317	4,146	3,958	4,002

LEGISLATIVE ISSUES:

Legislation is being proposed to clarify the future role of the RTCs.

REVENUE:

Expenditures for this activity are included in rates calculated for the RTCs. RTC revenues are collected by the Reimbursement Division and are dedicated to the Medical Assistance account by statute. Detail on RTC revenues is found on the Reimbursement Division budget page.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity except for the change requests detailed on the following pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : STATE RESIDENTIAL FACILITIES
BUDGET ACTIVITY : RTC SYSTEMWIDE

EXPENDITURES:	FY 1988		FY 1989		F.Y. 1990			F.Y. 1991				
					AGENCY REQUEST		GOVERNOR'S	AGENCY REQUEST		GOVERNOR'S		
	BASE	CHANGE	BASE	CHANGE	BASE	CHANGE	TOTAL	RECOMM.	BASE	CHANGE	TOTAL	RECOMM.
DETAIL BY CATEGORY:												
STATE OPERATIONS:												
PERSONAL SERVICES	0	0	0	1,614	1,614	1,614	1,614	0	<1,474>	<1,474>	<1,474>	<1,474>
EXPENSES/CONTRACTUAL SRVCS	0	0	0	532	532	532	532	0	1,080	1,080	1,080	1,080
MISC OPERATING EXPENSES	0	0	0	890	890	890	640	0	1,053	1,053	803	803
SUPLIES/MATERIALS/PARTS	0	0	0	1,972	1,972	1,972	1,972	0	2,509	2,509	2,509	2,509
CAPITAL EQUIPMENT	0	0	0	400	400	400	400	0	710	710	710	710
TOTAL EXPENDITURES	0	0	0	5,408	5,408	5,408	5,158	0	3,878	3,878	3,628	3,628
CHANGE REQUESTS:												
B ENHANCED NUTR. CONTENT MEALS & MENU VAR.				525	525	525	525		510	510	510	510
B IMPLEMENT UNIVERSAL PRECAUTION INFECTION				375	375	375	375		375	375	375	375
B DISP. BRIEFS FOR INCONTINENT RES. & GEN PAT.				975	975	975	975		975	975	975	975
B DISP. BRIEFS FOR INCONTINENT RES. & GEN PAT.				<169>	<169>	<169>	<169>		<169>	<169>	<169>	<169>
B FUNDING FOR SALES TAX & REGULATORY FEES				250	250	250	0		250	250	0	0
B DISP. BRIEFS FOR INCONTINENT PAT. - NH				<61>	<61>	<61>	<61>		<61>	<61>	<61>	<61>
B RTC NEG - PERSONNEL MITIGATION				2,363	2,363	2,363	2,363		844	844	844	844
B RTC NEG - RESID FACIL DECREASE				0	0	0	0		<7,429>	<7,429>	<7,429>	<7,429>
B RTC NEG - SOCS INCREASES				0	0	0	0		7,433	7,433	7,433	7,433
B RTC NEG - INFO SYSTEMS - SOCS				1,150	1,150	1,150	1,150		1,150	1,150	1,150	1,150
TOTAL CHANGE REQUESTS				5,408	5,408	5,408	5,158		3,878	3,878	3,628	3,628
SOURCES OF FINANCING:												
DIRECT APPROPRIATIONS:												
GENERAL	0	0	0	5,408	5,408	5,408	5,158	0	3,878	3,878	3,628	3,628
TOTAL FINANCING	0	0	0	5,408	5,408	5,408	5,158	0	3,878	3,878	3,628	3,628
POSITIONS BY FUND:												
GENERAL	0.0	0.0	0.0	<6.0>	<6.0>	<6.0>	<6.0>	0.0	<105.0>	<105.0>	<105.0>	<105.0>

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : STATE RESIDENTIAL FACILITIES
BUDGET ACTIVITY : RTC SYSTEMWIDE

POSITIONS BY FUND:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
TOTAL POSITIONS	0.0	0.0	0.0	<6.0>	<6.0>	<6.0>	0.0	<105.0>	<105.0>	<105.0>

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: REGIONAL TREATMENT CENTERS SYSTEMWIDE
 PROGRAM: STATE RESIDENTIAL FACILITIES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: ENHANCED NUTRITIONAL CONTENT OF MEALS AND INCREASED MENU VARIETY

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 525	-0-	\$ 510	-0-
General Fund (MA Grants)*	\$ (353)		\$ (332)	
Governor's Recommendation				
General Fund	\$ 525	-0-	\$ 510	-0-
General Fund (MA Grants)*	\$ (353)		\$ (332)	

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to comply with expanded Health Department nutritional requirements and improve variety in the food menu. This request supports the department's initiative for Regional Treatment Center Quality Improvement.

DESCRIPTION/BACKGROUND:

Currently, the daily raw food cost allowance for the regional treatment centers and state-operated nursing homes is \$2.59 per resident/patient plus 5 cents for snacks. As of 9-30-87, comparable raw food costs for other nursing homes and Intermediate Care Facility/Mentally Retarded (ICF/MR's) were as follows:

	Nursing Homes	ICF/MR's
75th Percentile	\$3.02 per day	\$4.56 per day
90th Percentile	\$3.34 per day	\$5.27 per day

The residential facilities' menus have been cited by the Minnesota Department of Health for failure to meet nutritional requirements and lack of variety. The Health Department has recently adopted more stringent requirements for nutritional content of various food groups. In addition, the accelerated discharge of patients and residents has resulted in a remaining population whose nutritional requirements are more complex and expensive. Prescriptive use of expensive nutritional supplements has increased substantially. These pressures on the daily raw food allotment have resulted in reduction of menu variety to control costs. In order to meet these needs, the department believes the allowance for raw food should be increased to a level which is comparable with other care providers. Therefore, the department is requesting

additional funding to increase the daily food allowance to \$3.35 per day for F.Y. 1990 equivalent to the 90th percentile for community nursing homes, and \$3.45 per day for F.Y. 1991. In addition, the department is requesting the allowance for snacks be increased to 10 cents per day.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Effect on Collections*	\$ -0-	\$ -0-	\$ 353	\$ 332

RATIONALE:

Residents and patients are entitled to a living environment which is conducive to treatment. The dietary function is an essential part of the living environment. An increase in the daily allowance for raw food is necessary to provide more variety in menu selections and improved nutrition.

* The change request shows the impact on Medical Assistance (MA) payments and collection income for cost of care. In accordance with M.S., sec. 246.18, all receipts from collection efforts for regional treatment centers and state nursing homes must be deposited in the MA account and are appropriated for that purpose. As a result, MA costs decrease when collection income increases, and MA costs increase when collection income decreases.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 3,069	\$ 2,982	\$ 2,982	\$ 2,982

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 510	\$ 510

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: REGIONAL TREATMENT CENTER SYSTEMWIDE
 PROGRAM: STATE RESIDENTIAL FACILITIES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: IMPLEMENTATION OF UNIVERSAL PRECAUTIONS FOR INFECTION CONTROL

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 375	-0-	\$ 375	-0-
General Fund (MA Grants)*	\$ (256)		\$ (245)	
Governor's Recommendation				
General Fund	\$ 375	-0-	\$ 375	-0-
General Fund (MA Grants)*	\$ (256)		\$ (245)	

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests an increase in funding to purchase essential equipment and supplies to fully implement infection control procedures established by the U.S. Department of Health and Human Services, Center for Disease Control. This request supports the department's initiative for Regional Treatment Center Quality Improvement.

DESCRIPTION/BACKGROUND:

Since medical history and examination cannot reliably identify all clients infected by Human Immunodeficiency Virus (HIV) or other blood-borne pathogens, procedures must be implemented to safeguard clients and health workers against the spread of infection. The Center for Disease Control has established universal precautions for infection control, intended to prevent the spread of blood-borne pathogens and protect infected persons from the acquisition of other infections. Purchase and replacement of gloves, gowns, eye protection equipment, laundry bags, and related items are required to fully implement the recommended universal precautions.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Effect on Collections *	\$ -0-	\$ -0-	\$ 256	\$ 245

RATIONALE:

This request is made to implement the U.S. Department of Health and Human Services, Center for Disease Control's recommended infection control procedures and to comply with Occupational Safety and Health Agency (OSHA) regulations for health care employees whose functions could result in contact with blood and body substances.

* The change request shows the impact on Medical Assistance (MA) payments and collection income for cost of care. In accordance with M.S., sec. 246.18, all receipts from collection efforts for regional treatment centers and state nursing homes must be deposited in the MA account and are appropriated for that purpose. As a result, MA costs decrease when collection income increases, and MA costs increase when collection income decreases.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 486	\$ 500	\$ 500	\$ 500

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 375	\$ 375

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: REGIONAL TREATMENT CENTERS SYSTEMWIDE
 PROGRAM: STATE RESIDENTIAL FACILITIES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: DISPOSABLE BRIEFS FOR INCONTINENT RESIDENTS AND PATIENTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 975	-0-	\$ 975	-0-
General Fund	\$ (169)	(4.5)	\$ (169)	(4.5)
General Fund (MA Grants)*	\$ (542)		\$ (523)	
Governor's Recommendation				
General Fund	\$ 975	-0-	\$ 975	-0-
General Fund	\$ (169)	(4.5)	\$ (169)	(4.5)
General Fund (MA Grants)*	\$ (542)		\$ (523)	

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to improve both the quality of care and quality of life by switching from cloth diapers to disposable briefs for incontinent individuals. This request supports the department's initiative for Regional Treatment Center (RTC) Quality Improvement.

DESCRIPTION/BACKGROUND:

In F.Y. 1988, the Cambridge Regional Human Services Center conducted a study to determine the advantages of disposable briefs versus cloth diapers for incontinent individuals. The study findings indicated that disposable briefs would improve the quality of life for residents in the following ways:

1. improvement in skin conditions;
2. reduction in odors associated with incontinence;
3. reduction of wet linens and personal clothing;
4. greater staff time for direct patient care; and
5. reduction of urine puddles which relate to sanitation and safety concerns for residents and staff.

The RTCs collectively utilize an estimated 2.26 million cloth diapers per year resulting in approximately 1.04 million pounds of soiled laundry processed at a cost of approximately \$169,000 per year. The projected cost for purchasing disposable briefs is \$950,000 per year plus an additional \$25,000 for refuse/landfill costs. Laundry savings of \$169,000 leave a net incremental cost of approximately \$806,000 per year.

As a part of the "State Nursing Homes Systemwide" budget activity, the department is also requesting funds for disposable briefs for incontinent

individuals in the state nursing homes. The combined reduction in regional laundry costs and positions would be as follows:

Regional Laundry	Savings	Position Reductions
Brainerd	\$ 38,000	1
Cambridge	40,000	1
Faribault	140,000	4
St. Peter	9,000	
Willmar	** 3,000	**
	<u>\$230,000</u>	<u>6</u>

** \$61,000 and 1.5 positions are applicable to laundry savings for the 2 nursing homes.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Effect on Collections *	\$ -0-	\$ -0-	\$ 542	\$ 523

RATIONALE:

After food and shelter, the most basic human care needs are health and comfort. Disposable briefs enhance both the quality of care (i.e., skin dryness and cleanliness) and quality of life (i.e., comfort and odor reduction).

* The change request shows the impact on Medical Assistance (MA) payments and collection income for cost of care. In accordance with M.S., sec. 246.18, all receipts from collection efforts for regional treatment centers and state nursing homes must be deposited in the MA account and are appropriated for that purpose. As a result, MA costs decrease when collection income increases, and MA costs increase when collection income decreases.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 71	\$ 71	\$ 71	\$ 71

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 975	\$ 975

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: REGIONAL TREATMENT CENTERS SYSTEMWIDE
 PROGRAM: STATE RESIDENTIAL FACILITIES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: FUNDING FOR SALES TAX PAYMENTS AND REGULATORY FEES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 250	-0-	\$ 250	-0-
General Fund (MA Grants *)	(\$ 171)		(\$ 163)	
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds for the regional treatment centers to pay for statewide telecommunication costs, sales tax, employee background checks, and fees levied by various regulatory authorities for license review, etc.

DESCRIPTION/BACKGROUND:

In recent years, decisions have been made to charge the regional treatment centers for sales tax on certain goods and services as well as chargeback and user fees. However, these costs have not resulted in a corresponding increase in funding to pay the new charges. As a result, the base funding for repairs and maintenance, printing and communication, travel and subsistence, supplies and materials, etc., has been significantly eroded to a point where the facilities' capacity to provide for essential operating and program requirements has been placed in jeopardy.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Effect on Collections *	-0-	-0-	\$ 171	\$ 163

RATIONALE:

In order to assure active treatment for all residents and patients it is necessary to provide adequate numbers of appropriately trained and qualified staff. In addition, adequate funding is required to purchase goods and services which complement staff skills and assist in creating and maintaining an environment conducive to active treatment.

* The change request shows the impact on Medical Assistance (MA) payments and collection income for cost of care. In accordance with M.S., sec. 246.18,

all receipts from collection efforts for regional treatment centers and state nursing homes must be deposited in the MA account and are appropriated for that purpose. As a result, MA costs decrease when collection income increases, and MA costs increase when collection income decreases.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 3,367	\$ 3,084	\$ 3,084	\$ 3,084

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 250	\$ 250

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: RTC SYSTEMWIDE
 PROGRAM: STATE RESIDENTIAL FACILITIES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: RTC NEGOTIATIONS: CASE MANAGEMENT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund CSSA	\$2,209	-0-	\$2,657	-0-
Governor's Recommendation				
General Fund CSSA	\$2,209	-0-	\$2,657	-0-

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 256E.06

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to adequately support the development arrangement and provision of case management services to persons with developmental disabilities (DD) relocating to local communities from regional treatment centers (RTCs). This request supports the department's initiative for RTC negotiations.

DESCRIPTION/BACKGROUND:

At the present time counties are required to provide case management services for all persons with DD including persons located at RTCs. However, it is anticipated that increases in discharges from RTCs will require increased case management effort and that additional resources for case management are needed.

Many of the persons leaving RTCs will be served in community ICFs/MR. These individuals have difficult needs and will require extensive service planning, development, coordination and monitoring. The department proposes an addition to each county's Community Social Services Act (CSSA) allocation based on historical county RTC placement rates and the number of persons the county needs to discharge from RTCs. Counties will receive their allocation based on their net reduction of RTC residents.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Participating Counties	87	87	87	87
Persons with developmental disabilities receiving case management services	16,912	17,312	17,712	18,112

RATIONALE:

Current funding of case management is a combination of local, state and federal dollars. Local funding pays the majority of the cost for these services. Based on documentation from recent surveys there has been a continuous growth of approximately 400 cases per year serving persons with DD. With the combination of these new cases and the projected RTC reductions, additional resources must be allocated to meet the new demands. The existing county case management capacity is not adequate to provide the required level of case management services.

BASE: None..

<u>LONG RANGE IMPLICATIONS:</u>	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 3,154*	\$ 3,206*

* This request will increase costs in the next biennium due to the fact that the RTC negotiation's proposal will be implemented over a period of 6 years.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: RTC SYSTEMWIDE
 PROGRAM: STATE RESIDENTIAL FACILITIES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: RTC NEGOTIATIONS: SILS INCREASE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
SILS Grants	\$ 187	-0-	\$ 393	-0-
Governor's Recommendation				
SILS Grants	\$ 187	-0-	\$ 393	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The above funds are requested to provide semi-independent living services (SILS) to 50 additional persons with developmental disabilities (DD) per year. This request supports the department's initiative for regional treatment center (RTC) negotiations.

DESCRIPTION/BACKGROUND:

SILS grants provide funds to counties to purchase services for adults with DD who reside in their own home, apartment or rooming house in order to improve their functioning and reduce the risk of placement in a RTC or private intermediate care facility/mentally retarded (ICF/MR). Typical services include: training, counseling, instruction and supervision.

Currently, state funds pay for approximately 63% of the total cost of SILS for each eligible person and county funds are used to pay for the balance. The department has projected the state share of SILS for this request to be 65% of the total SILS cost for each eligible person.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Participating counties	80	84	85	85
Persons served in the year	1,075	1,150	1,200	1,250
Average Annual cost per person (State and County)	\$ 4,683	\$ 5,165	\$ 5,764	\$ 6,041
Waiting List	240	400	350	300

RATIONALE:

Many persons not yet receiving any residential services have been determined to need SILS. This request assures that persons living in the community (e.g., in their parents home) will receive SILS thereby precluding the possibility that they will have to move into residential facilities. Providing

SILS to this group will reduce future demand for RTCs and ICF/MR services; thereby, facilitating the achievements of the population reduction targets of the RTC negotiations proposal. Expansion of in-home service options for persons currently in non-institutional settings is the most cost-effective and programmatically effective alternative to expansion of institutional services for persons with DD.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 3,021	\$ 3,658	\$ 3,658	\$ 3,658

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 514*	\$ 647*

* This request will increase costs in the next biennium due to the fact that the RTC negotiation's proposal will be implemented over a period of 6 years.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: RTC SYSTEMWIDE
 PROGRAM: STATE RESIDENTIAL FACILITIES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: RTC NEGOTIATIONS: FAMILY SUBSIDY PROGRAM GRANTS INCREASE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund Family Subsidy Grants	\$ 66	-0-	\$ 132	-0-
Governor's Recommendation				
General Fund Family Subsidy Grants	\$ 66	-0-	\$ 132	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The above funds are requested to provide in-home care options for 25 additional families per year who have children with developmental disabilities (DD). This request supports the department's initiative for Regional Treatment Center (RTC) negotiations.

DESCRIPTION/BACKGROUND:

The Family Subsidy Program is currently enabling 370 families to care for their children with DD in their family homes. These children would otherwise require out-of-home care. As of November, 1988 there are 95 families on the waiting list. This request would reduce the number of families waiting for family subsidy grants by 25 in F.Y. 1990 and 50 in F.Y. 1991 and thereby reducing these families' need to place their child in a RTC or intermediate care facility for mentally retarded (ICF/MR).

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number of Grants	370	385	410	435
Average Annual Grant Award per Family	\$ 2,868	\$ 2,760	\$ 2,640	\$ 2,640
Number of Participating Counties	45	45	45	45
Number of Families on Waiting List (as of January 1)	113	100	75	50

RATIONALE:

Expansion of in-home service options for children who have not been placed in institutional or other more costly out-of-home services is a more cost-effective and programmatically effective alternative to expanding out-of-home service options for these children. Moreover, providing these grants will

reduce the demand for RTC and ICF/MR services; thereby, facilitating the achievement of the population reduction targets of the RTC negotiation proposal.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 1,063	\$ 1,063	\$ 1,063	\$ 1,003

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 198	\$ 263*

* This request will increase costs in the next biennium due to the fact that the RTC negotiation's proposal will be implemented over a period of 6 years.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: REGIONAL TREATMENT CENTER SYSTEMWIDE
 PROGRAM: STATE RESIDENTIAL FACILITIES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: RTC NEGOTIATIONS: STAFF TRAINING

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 663	-0-	\$ 753	-0-
Governor's Recommendation				
General Fund	\$ 663	-0-	\$ 753	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to meet training needs unique to the transition of staff from the regional treatment centers (RTCs) to community services. In addition to preparing staff to provide services in and to the community, this request will meet several other objectives:

1. Developing courses that meet regulatory and accreditation standards and can be used on a continuing basis;
2. Standardizing courses to improve quality and consistency;
3. Working with the state's public adult education systems so that the courses are available to employees of public and private providers; and
4. Coordinating course development and delivery with other entities, such as the Governor's Planning Council on Developmental Disabilities, so that resources are maximized.

This request supports the department's initiative for RTC negotiations.

DESCRIPTION/BACKGROUND:

The department will use existing training staff and funds and the amount requested in this appropriation to: (1) meet on-going requirements; (2) make changes associated with the negotiations; and (3) strengthen the future delivery system.

Current resources will be used to meet existing demands:

1. Complying with regulatory requirements for training (30-40 hours per staff per year).
2. Develop staff skills to meet needs identified in individual client service plans.
3. Provide training required because of changes in regulations or accreditation standards.

Existing resources will also be used for the following new training needs associated with the negotiations.

1. Training for staff transferring from one disability group to another within the RTCs.
2. Training for existing or new community providers whose staff require additional skills to meet the special care needs of residents who have been in an RTC.
3. Training for counties and other entities who are affected by the transition.
4. Newly identified training required by individual client or employee development plans.

The training staff presently employed in the RTCs will continue to provide training that is specific to the facilities, assist in coordinating, monitoring, and providing training during the transition, and will be involved in providing technical assistance within the regions.

The requested appropriation will fund the following new activities which are critical to the transition:

1. Skills Training: This training covers the program content that staff will need to meet resident needs in community facilities. Staff transferring from the RTCs to community facilities will need to learn rule provisions and procedures that apply to community settings, to use that environment to teach residents to live in the community, to adapt conditions in the new community to meet residents' needs, and to use community resources to meet individual service plans. Staff will also need additional training in diagnostic skills, early intervention in individual crisis situations, and other clinical management skills. This request includes \$230,000 for course development for staff working with the developmentally disabled (DD) and the mentally ill (MI) and \$171,720 for instruction costs for 1,431 staff during the biennium. The courses that are developed will be integrated into ongoing training programs.
2. New Site Training: This training covers what staff will need to know to be effective under new working conditions. Staff will need assistance in making the transition from large, structured institutions with well defined roles to working in smaller, family-like settings. Staff will need to learn about procedural changes (scheduling, purchasing, charting) changed job responsibilities, and new case and task management requirements. They will also need to develop additional skills in self-reliance, initiative, small group decision making, and working with crises and regional technical assistance teams. This request includes \$160,000 for course development for staff working with the DD and the MI and \$171,720 for instruction costs for 1,431 staff during the biennium. The course content will be integrated into an orientation program for new employees.
3. Upgrading skills of staff caring for the Mental Ill: The RTC negotiations commit the department to increasing the quality of care provided to the MI in state operated facilities. In addition to hiring individuals with professional skills, patients and employees can benefit from efforts to increase the skills and occupational levels of existing employees. This request funds training costs so that Human Service Technicians (HSTs) and Licensed Practical Nurses (LPNs) can become Registered Nurses. Besides helping to meet the active treatment goal, this strategy is a practical necessity since there is occupational shortage for nurses. \$520,000 is

CHANGE REQUEST

Agency _____ Program _____ X Activity
 (Continuation)

1990-91 Biennial Budget

ACTIVITY: REGIONAL TREATMENT CENTER SYSTEMWIDE
 PROGRAM: STATE RESIDENTIAL FACILITIES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

required in this biennium so that trained staff are available by July, 1991.

4. Regional Technical Assistance Staff Training: These staff will need information about the total delivery system, use of community resources, and how to carry out their defined roles. In addition, they will need a review of regulatory and professional care standards for the disability groups. The technical assistance staff will need training to augment their current skills in program development, care planning for individuals, service delivery, and service coordination. \$30,000 has been estimated for developing this training and \$18,600 for instruction for 155 individuals.
5. Pre-Service Training: In order to assure appropriate care for individuals, staff must have some basic understanding of health care practices, individual needs, and the effects of disabilities. These funds will be used to develop the courses that individuals would take prior to either employment or being responsible for direct patient care. The \$45,000 requested for this biennium will be used to augment the courses being developed through the Governor's Council on Developmental Disabilities so that the pre-service requirements of Rules 34 and 42 will be met. The plan is to deliver these courses through the state's adult education systems. They could also be provided to employee groups on a contractual basis.
6. Evaluation: Each of the proposed courses will include methods of measuring the extent to which course content was mastered during the training. The courses will also be competency based and as such will measure the extent to which the content can be demonstrated. The funds proposed for evaluation will be used to monitor and assess the effectiveness of training coordination and the delivery system. More importantly, a method of attempting to measure the effect of training on the quality of care and client progress will be developed. \$60,000 is requested in this biennium to develop and begin using the evaluation method. The methods will be transferred to other disability groups in subsequent years.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
State employees trained				
Skill training				
DD	-0-	-0-	513	918
MI	-0-	-0-	-0-	-0-
New site training				
DD	-0-	-0-	513	918
MI	-0-	-0-	-0-	-0-
Occupational upgrades				
HSTs to RNs	-0-	-0-	60	60
LPNs to RNs	-0-	-0-	55	55
Courses Developed				
DD	-0-	-0-	-0-	14
MI			-0-	3
Training Sites				
Area Technical Institutes			4	6
Community Colleges				2

RATIONALE:

The changes in the delivery system and the commitment to improving the quality of care for the affected disability groups requires that additional effort be placed into training activities. Training is necessary so staff can maintain care standards and help residents make the transition to the community as smoothly as possible. Staff will need additional knowledge in order to help residents live successfully in the community. The investments in course development and creating a delivery network will increase the availability, consistency, and quality of training and the quality of care for residents.

BASE: None.

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 185	\$ 94

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: RTC SYSTEMWIDE
 PROGRAM: STATE RESIDENTIAL FACILITIES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: RTC NEGOTIATIONS: QUALITY OF COMMUNITY CARE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund				
Community Services Evaluation	\$ 172	4.0	\$ 215	5.0
Developmental Disabilities Administration	90	1.0	90	1.0
Social Services Administration	703	6.0	703	6.0
Governor's Recommendation				
General Fund				
Community Services Evaluation	\$ 172	4.0	\$ 215	5.0
Developmental Disabilities Administration	90	1.0	90	1.0
Social Services Administration	453	6.0	703	6.0

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 252A

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds and positions to develop an integrated approach to assessing and improving the quality of community-based services provided to persons with developmental disabilities (DD) and mental illness (MI) leaving regional treatment centers (RTCs) by:

1. Reviewing community placements and services following discharge of persons with DD to insure that proper and appropriate programs are provided.
2. Providing additional supervision of persons with DD remaining in Regional Treatment Centers (RTCs) who are under state guardianship and implementing an initiative to encourage private guardianship of persons with DD.
3. Increasing and refocusing the use of volunteers to assist in service planning, service provision and service monitoring for persons with DD and MI.

This request supports the department's initiative for RTC negotiations.

DESCRIPTION/BACKGROUND: Additional staff and resources are needed to assess and improve the quality of community services to be provided to persons with DD leaving RTCs. Specifically the proposed staff and resources will be used in the following ways:

1. The amount and type of each person's community residential, day, and support services will be reviewed on-site by an independent professional in the field of DD to determine the extent the community services are meeting the identified needs of the person discharged from the RTC. A report of each review will be written and sent to the county case manager and the service provider. If significant problems are found on the visit, a fol-

low-up visit will take place. This effort requires 4.0 positions in F.Y. 1990 and 5.0 positions in F.Y. 1991. This effort will decrease once RTC relocations are completed.

2. Appropriate private parties will be sought and trained to be guardians for persons with DD in RTCs under state guardianship. Moreover, contract funds for legal assistance will be provided to assist in the preparation of legal documents necessary to transfer persons to private guardianship. This effort requires 1.0 position for the F.Y. 1990-91 biennium.
3. Volunteer services will be developed to involve family members and community volunteers in the planning and delivery of community services to DD and MI persons moving from RTCs. The department Chief of Volunteer Service will supervise 3 regional coordinators who shall provide grants to local individuals or groups who would serve as local volunteer services coordinators (VSC). The local VSC will recruit, screen, train and place volunteers, including volunteers presently serving at the RTCs and refocusing those volunteer activities to local communities.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. of Program Reviews Conducted	-0-	-0-	200	382
No. of Persons Transferred to Private Guardianship	-0-	-0-	150	300
No. of Volunteers Participating in Community	7,400	7,500	7,750	7,800
Total No. of Volunteer Service Hours	302,221	310,000	328,000	350,000
Spent on individual relationships	175,000	180,000	210,000	250,000
Spent on service monitoring	480	600	1,250	2,500

RATIONALE: Assuring the quality and appropriateness of community services for persons leaving RTCs is essential to avoid persons from being "dumped" into the community. Moreover, during the transition to community services, individuals and their families require additional support and assistance in making the move to the community an effective and successful experience. The RTC volunteer services staff will greatly assist in the implementation of community volunteer services programs for discharged DD and MI clients and implement volunteer programs for disability groups served in the RTC.

BASE: None.

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 1,050*	\$ 1,050*

* This request will increase costs in the next biennium due to the fact that the RTC negotiations proposal will be implemented over a period of 6 years.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for a biennial reduction of \$250,000. This will allow for phasing-in new positions in F.Y. 1990.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: RTC SYSTEMWIDE
 PROGRAM: STATE RESIDENTIAL FACILITIES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: RTC NEGOTIATIONS: COMMUNITY GROUPS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund Residential Facilities Management	\$ 175	-0-	\$ 70	-0-
Governor's Recommendation				
General Fund Residential Facilities Management	\$ 175	-0-	\$ 70	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to establish community groups in each community where there is a regional treatment center (RTC) serving persons with developmental disabilities (DD) to assist the department and counties in planning and coordinating community services for persons with DD leaving RTCs. This request supports the department's initiative for RTC negotiations.

DESCRIPTION/BACKGROUND:

Grants will be provided to community groups to:

1. insure community input to the development of community services for persons with DD;
2. assist county, as appropriate, in identifying family concern about choice of service settings;
3. assist counties in recruiting new providers, capitalizing, and siting new services and residential programs;
4. work with the surrounding counties to coordinate development of services for persons with DD;
5. facilitate community education concerning services to persons with DD;
6. assist in recruiting potential supported employment opportunities;
7. assist in the identification and development of shared services agreements among providers of service.
8. coordinate with the development of state-operated services; and
9. seek to resolve local transportation issues for people with DD.

Community groups will meet regularly to advise on the planning and coordination of community services, and will consist of at least families of persons

with DD, state employee unions, private providers, advocates, and counties.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. of community groups	-0-	-0-	7	7

RATIONALE:

These community groups are directly affected by the department's initiative for RTC negotiation. The grants will assist these affected parties to develop consensus regarding the planning and development of local community services for persons with DD, and advise the department and counties regarding community service development options which are acceptable to all concerned.

Local mental health advisory councils created under current statute may meet periodically with these groups to coordinate efforts in the area of mental health.

Grants for community groups will be provided only through F.Y. 1993.

BASE: None.

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 70	\$ 70

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: RTC SYSTEMWIDE
 PROGRAM: STATE RESIDENTIAL FACILITIES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: RTC NEGOTIATIONS: OFFICE OF THE OMBUDSMAN FOR MENTAL HEALTH AND MENTAL RETARDATION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Office of the Ombudsman	\$ 111	2.0	\$ 197	4.0
Governor's Recommendation				
Office of the Ombudsman	\$ 111	2.0	\$ 197	4.0

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 245.91 to 245.97

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions for the Office of Ombudsman for Mental Health and Mental Retardation to:

1. provide external monitoring of the licensure of state-operated programs for persons with developmental disabilities (DD) and mental illness (MI);
2. conduct in-depth follow-up reviews and investigations of community services provided to persons with DD leaving state regional treatment centers (RTCs); and
3. conduct studies and investigate areas of concern in the state operated community service delivery system.

This request supports the Department of Human Services (DHS) initiative for RTC negotiations.

DESCRIPTION/BACKGROUND:

Additional staff and resources are needed for the Office of Ombudsman for Mental Health and Mental Retardation to provide external monitoring of the licensing process for state-operated community service programs. This responsibility is in addition to the Office of Ombudsman for Mental Health and Mental Retardation's current primary responsibility of reviewing and investigating complaints regarding services to persons with MI, DD, chemical dependency, or emotional disturbance. Moreover, the office will conduct in-depth follow-up reviews of community services to people who are under state guardianship who have no active family involvement and who leave a RTC after 6-30-89. The office will routinely receive service review and evaluation reports on such persons and will select individuals for intensive follow-up reviews and investigations. Follow-up reviews and investigations shall include on-site visits, review of records and interviews with clients regarding their satisfaction with services. These efforts require 4.0 additional positions by the end of F.Y. 1990-91 biennium. This CHANGE

request includes \$25,000 each year of the F.Y. 1990-91 biennium to conduct studies and investigate areas of concern.

STATISTICS: F.Y. 1988 F.Y. 1989 F.Y. 1990 F.Y. 1991

Licensure Reviews

No. of licensure reviews conducted of:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
state operated residential programs	-0-	-0-	-0-	31
state operated day programs	-0-	-0-	-0-	12

Individual Service Reviews

Total no. of reviews of individual services	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
individual services	-0-	-0-	180	346
No. of intensive onsite reviews and investigations of individuals	-0-	-0-	54	112

RATIONALE:

This request provides funds to the Office of Ombudsman for external monitoring of the license of state-operated day and residential programs as these services expand to assure that DHS's standards are consistently enforced and applied in public-operated community service programs for persons with DD and MI. This office will report back to DHS on any inconsistencies or significant licensure issues detected during the on-site visits. Moreover, the results of individual in-depth reviews will be sent to DHS and the county case manager for appropriate action. The program review activity will decrease after F.Y. 1993.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	<u>(Dollars in Thousands)</u>	
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>
General Fund Expenditures	\$ 283*	\$ 283*

* This request will increase costs in the next biennium due to the fact that the RTC negotiation's proposal will be implemented over a period of 6 years.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: RTC SYSTEMWIDE
 PROGRAM: STATE RESIDENTIAL FACILITIES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: RTC NEGOTIATIONS: DEPARTMENT OF HEALTH LICENSURE AND ICF/MR CERTIFICATION

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
General Fund	\$ 22	-0-	\$ 132	-0-
Governor's Recommendation				
General Fund	\$ 22	-0-	\$ 132	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to add to the contract with the Department of Health to license and certify new publicly and private operated community intermediate care facilities for persons with mental retardation (ICFs/MR) and community facilities for persons with mental illness (MI). This request supports the Department of Human Service's (DHS) initiative for RTC negotiations.

DESCRIPTION/BACKGROUND:

ICFs/MR are required to be licensed under the state standards governing supervised living facilities and certified under the federal ICF/MR regulations. The development of community ICF/MR services is essential in providing the appropriate level of care needed by many persons with developmental disabilities (DD) leaving regional treatment centers (RTCs). The state share of the cost for state licensure of supervised living facility is \$1,200 per year, and the state share of the costs for federal certification of an ICF/MR is \$1,500 per year.

Moreover, the department is proposing to develop additional public operated community facilities for persons with MI. Most of the development of these facilities will take place in the next biennium.

STATISTICS:

	F.Y. 1990	F.Y. 1991
No. of newly licensed community ICFs/MR serving persons leaving RTCs	8	49

RATIONALE:

The licensure and certification of these community facilities is essential to assure the health and safety of persons with DD leaving RTCs, and are

necessary if these facilities are to be eligible for federal medicaid funding.

BASE: None.

	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
LONG RANGE IMPLICATIONS:		
General Fund Expenditures	\$ 275*	\$ 311*

* This request will increase costs in the next biennium due to the fact that the RTC negotiation's proposal will be implemented over a period of 6 years.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: RTC SYSTEMWIDE
 PROGRAM: STATE RESIDENTIAL FACILITIES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: RTC NEGOTIATIONS: TARGETING WAIVER FOR PERSONS WITH DEVELOPMENTAL DISABILITIES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund (MA Grants)	\$ -0-	-0-	\$ 128	-0-
(MSA Grants)	-0-	-0-	43	-0-
Governor's Recommendation				
General Fund (MA Grants)	\$ -0-	-0-	\$ 128	-0-
(MSA Grants)	-0-	-0-	43	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to facilitate relocation of 20 additional persons from regional treatment centers (RTCs) to the medical assistance home and community based waiver program for persons with developmental disabilities (DD). Additional funding is required over the current average waiver cost to serve persons with DD leaving RTCs. Room and board costs for waiver recipients are paid under the supplemental security income (SSI) and Minnesota Supplemental Aid (MSA) programs. This request supports the department's initiative for RTC negotiations.

DESCRIPTION/BACKGROUND:

M.S. section 256B.901, subdivision 5, authorizes the commissioner to apply for any federal waivers for persons with DD who, in the absence of the services, would need the level of care provided in a RTC or a community intermediate care facility for mentally retarded (ICF/MR) placements, there will be some individuals who will choose and can be appropriately served community waived services rather than a community ICFs/MR. The department estimates that 210 persons with DD leaving RTCs will receive home and community-based services by F.Y. 1993.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. of persons leaving RTCs to be served in:				
new community ICFs/MR served in waived services (enhanced)	-0-	-0-	40	246
	-0-	-0-	-0-	20

RATIONALE:

This request provides additional funding for home and community-based waived services to serve some more difficult to serve persons with DD leaving RTCs individually and cost effectively. It allows persons to receive specialized foster care or in-home services which are not allowed under ICF/MR regulations. Moreover, it enables the department to provide community services which have been chosen by the person leaving the RTC or his/her guardian. Recipient choice of services is required in federal regulations.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	<u>(Dollars in Thousands)</u>	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures (MA Grant)	\$ 1,387*	\$ 4,571*
(MSA Grants)	366*	802*

* This request will increase costs in the next biennium due to the fact that the RTC negotiation's proposal will be implemented over a period of 6 years.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: REGIONAL TREATMENT CENTERS SYSTEMWIDE
 PROGRAM: STATE RESIDENTIAL FACILITIES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: RTC NEGOTIATIONS: METROPOLITAN FACILITY/SOCS PLANNING

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Residential Facilities Management	\$ 670	-0-	\$ -0-	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to plan for the recapitalization of an Anoka-Metro Regional Treatment Center (AMRTC) and to evaluate the need for nursing home beds and additional security capacity in the metropolitan region. In addition, funding for the initial planning of State Operated Community Services (SOCS) for persons with DD is requested. This request supports the department's initiative for regional treatment center (RTC) negotiations.

DESCRIPTION/BACKGROUND:

As a result of the negotiation process for the future role of the RTCs, it is necessary to conduct a thorough and systematic assessment of the inpatient psychiatric needs, including the need for nursing home beds and security capacity in the metropolitan region. Accordingly, funds are required for psychiatric and mental health consultants, consumer surveys, demographic analysis, engineering and architectural consultants.

In addition, funds for the initial planning of state operated community services for persons with DD is necessary. Funding is required for site consideration and tentative selection, floor plans and initial schematics, and linkages with local community planning efforts.

RATIONALE:

The existing physical plant at the Anoka-Metro RTC site is old, inadequate, and does not readily lend itself to modern treatment requirements. Inadequate living and program environments inhibit active treatment and are not counter-productive to treatment efforts. Therefore, it is necessary to conduct a

thorough and systematic assessment of the inpatient psychiatric needs of the metropolitan region. Because the heaviest demand on the Minnesota Security Hospital is from the Twin Cities, the need for any additional capacity should be assessed in conjunction with the planning processing for a new metropolitan psychiatric facility and the implementation of the Comprehensive Mental Health Act. The planning for a new metropolitan psychiatric facility should also include an assessment of the need for nursing home beds.

Previous experience has shown that existing housing adequate to meet the needs of the persons with DD who would be served in SOCS is difficult to locate and obtain. Therefore, it is necessary to develop plans for adequate physical plants. In addition, it will be necessary to locate and secure sites which are both appropriate to the physical plant requirements and to the social and habilitation needs of the proposed residents. Development of programs and facilities which are dispersed throughout various communities will require planning with local entities.

BASE: None.

LONG RANGE IMPLICATIONS: None.

GOVERNOR'S RECOMMENDATION:

The Governor does not support the agency's request for this item since funding has been provided in the Governor's capital budget recommendations.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: RTC SYSTEMWIDE
 PROGRAM: STATE RESIDENTIAL FACILITIES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: RTC NEGOTIATIONS: PERSONNEL MITIGATION

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
General Fund	\$2,363	-0-	\$ 844	-0-
Governor's Recommendation				
General Fund	\$2,363	-0-	\$ 844	-0-

Request requires statutory change: X Yes _____ No
 Statutes Affected: New

STATEMENT OF REQUEST/OBJECTIVE:

The above funds are requested to provide mitigation measures that will prevent the unnecessary displacement of regional treatment center (RTC) employees as well as insure the quality of treatment services and the health and safety of residents during transition to the reconfigured services system described in the RTC negotiations document by:

1. Maintaining a stable complement of management, support and direct care employees to ensure that the quality of resident care is preserved and federal and state certification and licensing requirements are met during transition to the reconfigured service system.
2. Retaining employees with the experience and skills needed to effectively operate the reconfigured service system once the transition is complete.
3. avoiding incentives for employee use of inappropriate means to maintain their economic status (i.e., worker's compensation, disability insurance, sick leave) during the transition period.

This request supports the department's initiative for RTC negotiations.

DESCRIPTION/BACKGROUND:

The department proposes to use the following mitigation measures to achieve the objectives of this request:

1. Outplacement services: The department will assist employees who are facing displacement in finding jobs with other state agencies by keeping a central registry of available state jobs and defraying the costs of interviewing for these jobs.
2. Pretraining: Employees in some job classifications, who are facing displacement, can be retrained to work in the same job classification in another program area in the reconfigured service system. For example, an employee working in the developmental disabilities (DD) program could be retrained for a similar job in the mental health program. The

3. Relocation: The department will offer available jobs at other facilities in the reconfigured system to qualified employees. Employees who elect to accept jobs at other facilities will receive a relocation allowance. The amount of the allowance is governed by collective bargaining agreements, the commissioner's plan and the manager's plan.
4. Employee Counseling and Support: In addition to the measures provided for in 1-3 above, the department will provide job counseling, stress management seminars and employee support groups as well as other forms of employee assistance to assist employees through transition to the reconfigured service system.
5. Other Measures: Employees who are furloughed as a result of the service system reconfiguration are entitled to unemployment compensation and all of the benefits included in their collective bargaining agreements, the commissioner's plan or the manager's plan. Additionally, the department will offer a special severance payment of up to \$7,500 based on the employee's employment status at the time of separation.

RATIONALE:

Effective implementation of the mitigation measures proposed in this request will enable the department to deal fairly with RTC employees who face displacement as a result of the service system reconfiguration identified in the RTC negotiations. Additionally, the measures are designed to help the department retain current employees with the skills and expertise required to effectively and efficiently operate the reconfigured service system.

BASE: None.

LONG RANGE IMPLICATIONS:

(Dollars in Thousands)
 F.Y. 1992 F.Y. 1993

General Fund Expenditures \$ 3,983 \$ 784

* This request will increase costs in the next biennium due to the fact that the RTC negotiation's proposal will be implemented over a period of 6 years.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: REGIONAL TREATMENT CENTERS SYSTEMWIDE
 PROGRAM: STATE RESIDENTIAL FACILITIES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: RTC NEGOTIATIONS: COMMUNITY TREATMENT SERVICES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Residential Facilities Management/RTC	\$ -0-	-0-	\$(7,429)	(571.0)
Residential Facilities Management/SOCS	-0-	-0-	7,433	472.0
Residential Facilities Management/Systems	1,150	-0-	1,150	-0-
MA Grants/RTC	(463)	-0-	(4,424)	-0-
MA Grants/SOCS	-0-	-0-	3,240	-0-
MA Grants*/RTC	921	-0-	10,150	-0-
MA Grants*/SOCS	-0-	-0-	(7,779)	-0-
Financial Management	82	2.0	77	2.0
Personnel	90	2.0	85	2.0
Residential Program Administration	1,177	13.0	1,143	13.0
Net	\$2,957	17.0	\$3,646	(82.0)
Governor's Recommendation				
Residential Facilities Management/RTC	\$ -0-	-0-	\$(7,429)	(571.0)
Residential Facilities Management/SOCS	-0-	-0-	7,433	472.0
Residential Facilities Management/Systems	1,150	-0-	1,150	-0-
MA Grants/RTC	(463)	-0-	(4,424)	-0-
MA Grants/SOCS	-0-	-0-	3,240	-0-
MA Grants*/RTC	921	-0-	10,150	-0-
MA Grants*/SOCS	-0-	-0-	(7,779)	-0-
Financial Management	82	2.0	77	2.0
Personnel	90	2.0	85	2.0
Residential Program Administration	1,177	13.0	1,143	13.0
Net	\$2,957	17.0	\$3,646	(82.0)

* This CHANGE request shows the impact on Medical Assistance (MA) payments and collection income for cost of care. In accordance with M.S., section 246.18, all receipts from collection efforts for regional treatment centers and state-operated nursing homes must be deposited in the MA account and are appropriated for that purpose. As a result, MA costs decrease when collection income increases, and MA costs increase when collection income decreases.

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE: The department proposes to reconfigure the state operated system of services provided for persons with disabilities by:

1. Enhancing staff ratios for persons with developmental disabilities (DD) served in RTCs based on staffing levels established as nationally recognized standards for active treatment by the Accreditation Council for Persons with Developmental Disabilities (ACDD).
2. Increasing the number of persons served in state operated community services through:
 - a. Establishing 26 additional residential service sites to serve 156 current regional treatment center (RTC) residents.
 - b. Developing 11 day habilitation sites serving 165 clients.
 - c. Developing 5 regionally based state-operated facilities (10 sites over a 5-year period) to provide time limited residential crisis services to up to 20 persons who cannot be stabilized in their current environments and who would otherwise be admitted to RTCs.
 - d. Funding the nonpersonnel costs associated with SOCS for persons with DD, including property costs, food, communications, travel, utilities, and other operating costs.
 - e. Funding additional central office positions and administrative costs to establish the capacity to manage, develop, administer, supervise, and regulate state-operated community services. The staff and functions to be performed by these staff are outlined below.
 - 1) Funding for 8 noncomp positions (for 3 bienniums) to serve as a transition team to manage the implementation of the transition to a reconfigured system of services to persons with DD, mental illness, chemical dependency, and with needs related to the aging process;
 - 2) 13.0 permanent positions to implement and supervise the ongoing delivery of services resulting from the reconfiguration of the service system to persons in state-operated community services;
 - 3) 2.0 positions to assist in the budgeting and fiscal management of state-operated services;
 - 4) 2.0 positions to assist in the coordination of personnel issues related to the transition of services.
3. Reassigning a core of professional and direct care positions from RTCs to provide regionally based professional and technical support services to community programs (including public and private residential and day training and habilitation services), county human service agencies, and families of persons with DD through:
 - a. Reassigning staff to regionally based crisis intervention and management services to limit admission to RTCs during the period of transition to a more community-based system assigning positions (up to 105 positions over a 5-year period) to provide direct service in their current environments to persons who might be at risk of placement into a RTC or to provide technical and professional support to their families, current providers of service, or to county agencies.
 - b. Reassigning professionals (up to 25 positions over a 5 year period) to provide continued technical and professional support to community providers, county human service agencies, and families of persons with DD.
 - c. Reassigning regionally based positions (up to 150 positions over a 5-year period) to provide necessary professional support to state-operated community services in order to assure quality programs in compliance with state and federal rules and certification requirements.
 - d. Reassigning 1 position in each facility to assist interested family members and guardians in planning for the relocation of their family member or ward from a RTC to appropriate community services or transfer to other state operated services.

CHANGE REQUEST

1990-91 Biennial Budget

Agency _____ Program _____ X Activity
(Continuation)

ACTIVITY: REGIONAL TREATMENT CENTERS SYSTEMWIDE
PROGRAM: STATE RESIDENTIAL FACILITIES
AGENCY: HUMAN SERVICES, DEPARTMENT OF

4. Funding to implement administrative support methods for residential programs which will include accounting, billing, client care planning, staff scheduling and assignments, interfacility communications, personnel and physical plant management functions.

These positions would be carried on the RTC complement until they could be transferred to the state-operated community services budget, usually at the beginning of the fiscal year after which the DD program at a given RTC facility closes.

DESCRIPTION/BACKGROUND: The population of persons with DD in the RTCs is steadily declining at the rate of 150-200 persons per year. This decline is due in large part to the trend to serve persons with DD in smaller more integrated community settings. The population remaining at the RTCs can appropriately be served outside the RTCs. Accordingly, the department proposes to accelerate placements outside the RTCs during the next biennium by expanding State Operated Community Services (SOCS). As the number of persons with DD served in the RTCs declines, there will be a corresponding reduction in the staff complement required to provide care and treatment to these individuals in the RTCs. These positions can be used to provide care and treatment to these individuals in the RTCs. These positions can be used to provide staffing for SOCS, as well as to enhance staffing ratios for persons with DD remaining in the RTCs.

Regional Treatment Center Staffing: Both the ACDD and the Health Care Finance Administration (HCFA) require staffing ratios to be determined based on client characteristics. Approximately 96% of the persons with DD served in the RTCs have severe and profound mental retardation, physical handicaps, pose security risks, manifest aggressive, assaultive, severely hyperactive or psychotic-like behavior, and/or otherwise require considerable guidance and supervision. Accordingly, ACDD staffing standards require minimum on duty, direct care staff-to-client ratios of 1:4 during the day and 1:8 at night.

The 1980 Welsch Consent Decree and subsequent Negotiated Settlement established staffing standards (currently in place) for the provision of care and treatment for DD persons served in the RTCs. These standards do not differentiate for specific client characteristics and are below nationally recognized staffing standards which are necessary to assure active treatment.

In addition to those persons who are physically present, Welsch population includes those persons who are absent due to visits, medical leave, camping, provisional discharge, or who have a comparable temporary absence which would not require a formal readmission to enable an individual to return to the RTC.

State Operated Community Services: In 1986, the department established pilot state operated community services for 12 persons from the Cambridge Regional Human Services Center and 16 persons from the Faribault Regional Center. In

the next biennium, the department proposes to expand its commitment to state operated community services including residential habilitation and training, and residential crisis services.

As persons with DD continue to be discharged from RTCs, the state will continue to have an ongoing role in the delivery of services to assure that stable and appropriate alternatives are offered to persons with DD, their families, county agencies, and community providers. The state can assure the availability of services when other services fail or when persons with medical or behavioral problems require intense, specialized care. Effective use of staff will ensure that families, guardians, and other interested persons are adequately informed about the types of service available, the service planning process, and how disagreements will be handled.

As the RTC negotiations proposal is implemented, state operated community services will be developed to serve persons with mental illness.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
State Operated Day Program	-0-	-0-	-0-	11
Sites for Persons with DD				
State Operated Residential Sites for Persons with DD	7	7	7	33
Community Crisis Home Sites for Persons with DD	-0-	-0-	-0-	5

RATIONALE: This request is made in order to provide contemporary treatment services and environments to persons who are elderly or who have disabilities. It is consistent with the evolution of the service system from large congregate care facilities to smaller environments which are dispersed and integrated into the wider communities, including management control mechanisms to assure effective operation of a decentralized service delivery system. This request also provides for the necessary crisis intervention and technical assistance services to support an evolving service system. The addition of these services is in response to needs as expressed by county agencies, community providers, persons with disabilities and their families.

BASE: None.

	(Dollars in Thousands)	
LONG RANGE IMPLICATIONS:	F.Y. 1992	F.Y. 1993
Net Effect on General Fund Expenditures	\$ 7,724**	\$ 10,529**

** This request will increase costs in the next biennium due to the fact that the RTC negotiation's proposal will be implemented over a period of 6 years.

GOVERNOR'S RECOMMENDATION: The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: RTC SYSTEMWIDE
 PROGRAM: STATE RESIDENTIAL FACILITIES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: RTC NEGOTIATIONS: DEVELOPMENTAL DISABILITIES PROGRAM MANAGEMENT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund DD Administration	\$ 387	9.0	\$ 387	9.0

Governor's Recommendation

General Fund DD Administration	\$ 387	9.0	\$ 387	9.0
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Request requires statutory change: _____ Yes X No

Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE: The above funds and positions are requested to increase the department's capacities to manage, develop, administer, supervise the development of additional community-based day and residential programs which are needed to assure the appropriate community-based services for persons with developmental disabilities (DD) leaving regional treatment centers (RTCs). This request supports the department's initiative for RTC negotiations.

DESCRIPTION/BACKGROUND: Staff are needed to plan, develop, manage and implement the necessary programs that will support the transition of services for persons with DD leaving RTCs which has been outlined in the RTC Negotiations Proposal. The staff and functions to be performed by these staff are outlined below:

1. Four additional staff to secure, develop and assure appropriate administrative implementation per federal requirement of the home and community-based waivers;
2. One additional person to handle need determination and redetermination of need requests for private community services development in a timely manner;
3. One additional person to provide policy expertise for day program and supported employment services;
4. Three additional staff, 1.0 to provide supervisory, 1.0 to provide information management, and 1.0 to provide clerical support for the forementioned activities.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. of Persons Leaving RTC to Community Program Each Year	140	180	180	346
No. of New Community Residential Programs Serving Persons Leaving RTCs	-0-	-0-	36	105

STATISTICS: (Contd.)

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. of New Day Habilitation Programs Serving Persons Leaving RTCs	-0-	-0-	12	37

RATIONALE: About 55% of persons in RTCs with DD being relocated will be going to services operated by private providers. The increase in waiver staffing is requested to assure that appropriate and quality community-based programs are developed for persons with DD who are leaving RTCs. Moreover, this increase will assure that community programs are properly managed and administered and comply with applicable federal and state laws and regulations. Federal regulation requires the Medicaid agency to assure the appropriate administration of services and health and safety of recipients. Failure to provide oversight can result in loss of federal financial participation of the waiver program and jeopardizes the ability of the state agency to secure future waivers.

The increase in staffing for need determination is necessary in order to assure that the review required in Minnesota Statute occurs within the time-lines mandated. Additionally, it is desirable to assure that development proceeds in a timely manner so that delays in arranging services are avoided.

An increase in staffing for day programs is requested in order to assure that quality day program services are developed for persons leaving the RTCs. This increase will assure that programs being developed or modified meet mandated state standards and are designed to effectively meet the needs of persons with DD in a cost effective manner.

It is anticipated that an increase in support and supervisory staff is needed in order to assure that the necessary work involved in developing new services for persons being discharged is completed. Supervision and management of these activities is crucial. Information support is necessary because of the variety of sources of information needed to be obtained, the need to organize such information into a usable format, and to assist managers with tracking the progress of service development and implementation. Federal standards require the Medicaid agency to monitor the administration of MA funded programs. Failure to review and to take corrective action as necessary could lead to the loss of FFP.

(Dollars in Thousands)

BASE:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 551	\$ 551	\$ 551	\$ 551

(Dollars in Thousands)

LONG RANGE IMPLICATIONS:	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 387	\$ 387

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: RTC SYSTEMWIDE
 PROGRAM: STATE RESIDENTIAL FACILITIES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: RTC NEGOTIATIONS: RATE SETTING/AUDITING

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund Audits	\$ 215	5.0	\$ 382	9.0
Long-Term Care Management	43	1.0	43	1.0

Governor's Recommendation

General Fund Audits	\$ -0-	-0-	\$ 382	9.0
Long-Term Care Management	-0-	-0-	43	1.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to implement the reduction of the developmentally disabled population at the regional treatment centers (RTC) for the Audit and Long Term Care Management Divisions. This request supports the department's initiative for RTC negotiations.

DESCRIPTION/BACKGROUND:

This request covers the funds needed to establish day habilitative service and intermediate care facility/mentally retarded (ICF/MR) payment rates, conduct on-site audits and coordinate these activities with the state program division and federal agencies to insure compliance with all state and federal laws and rules.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. of New ICFs/MR Serving Persons Leaving RTCs	-0-	-0-	8	49
No. of New Day Habilitation Programs Serving Persons Leaving RTCs	-0-	-0-	12	37

RATIONALE:

This request is necessary to implement, audit, establish and maintain the payment rates for these new ICF/MR and day habilitative service providers. The workload of the divisions has grown in the past 5 years. To keep the work product on time, the department has used overtime rather than asking for additional staff to establish long term care payment rates. This method cannot be used in this situation because the audit staff is about at the limit for working overtime and still remaining productive and effective.

Based on the department's current staffing needs, the best alternative is to add staff and not increase the usage of overtime.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Audits	\$ 382	\$ 382
Long-Term Care Management	43	43

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for a biennial reduction of \$258,000. It has been determined that these services will not be required in F.Y. 1990.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: RTC SYSTEMWIDE
 PROGRAM: STATE RESIDENTIAL FACILITIES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: RTC NEGOTIATIONS: SOCIAL SERVICE APPEALS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund Appeals and Contracts	\$ 96	2.0	\$ 96	2.0
Governor's Recommendation				
General Fund Appeals and Contracts	\$ 96	2.0	\$ 96	2.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The above funds and positions are requested to provide additional staff effort to handle social service appeals relating to the delivery of community-based services to persons leaving Regional Treatment Centers (RTCs). This request supports the department's initiative for RTC negotiations.

DESCRIPTION/BACKGROUND:

Under M.S., sec. 256.045, subd. 4a, the department conducts evidentiary hearings in situations in which persons with DD are dissatisfied with the quality or adequacy of case management services provided by the county agencies. To date, these appeals have involved, nearly without exception, case management services provided in conjunction with community-based residential and habilitative services. As larger numbers of persons leave RTCs and require community-based services, the department anticipates a corresponding increase in the case management appeals. These additional positions will be sufficient to absorb this additional work load.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. of DD Persons Leaving RTCs to Community Programs Each Year	140	180	180	346

RATIONALE:

The department is required by statute to issue decisions in case management appeals within 60 days of receiving requests for hearings. This requirement means that case management appeals demand relatively immediate attention and that even a modest increase in case load size without additional personnel would jeopardize the department's ability to comply with the statutory time limitation. Assigning a higher priority to case management appeals in

relation to other appeals is, at best, a partial solution because other program areas have time limitations during which decisions must be issued. Such requirements in other programs are a matter of federal law and failure to meet these requirements carries with it the potential loss of federal financial participation.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	<u>(Dollars in Thousands)</u>	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 96	\$ 96

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: RTC SYSTEMWIDE
 PROGRAM: STATE RESIDENTIAL FACILITIES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: RTC NEGOTIATIONS: LICENSING OF NEW COMMUNITY FACILITIES AND PROGRAMS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund Licensing Administration	\$ 220	4.0	\$ 330	6.0
Governor's Recommendation				
General Fund	\$ 121	4.0	\$ 330	6.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The above funds and positions are requested to license the additional private and public community-based day and residential programs which are needed to assure the appropriate community-based services for persons with developmental disabilities (DD) and mental illness (MI) leaving regional treatment centers (RTCs). This request supports the department's initiative for RTC negotiations.

DESCRIPTION/BACKGROUND:

The growth of the DD home and community-based services waiver program, legislative authorization to lift the moratorium on the development of intermediate care facilities for persons with mental retardation (ICF/MR) programs, and the movement of persons with DD and MI out of RTCs into communities throughout the state as part of implementing the RTC Negotiation Proposal will result in an increase in the number of new licensed public and private licensed residential and day programs between F.Y. 1990 and F.Y. 1993.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. of New Residential Programs	-0-	-0-	36	105
Serving Persons Leaving RTCs				
No. of New Day Programs Serving Persons Leaving RTCs	-0-	-0-	12	37
No. of Waiver Services Agencies Serving DD Persons	-0-	-0-	100	150

RATIONALE:

The growth in community residential and nonresidential programs for persons with DD or MI stimulated by the RTC negotiation Proposal will outstrip the

department's ability to conduct timely license inspections. The frequency of license reviews must continue as an annual requirement. To do otherwise would be inconsistent with the negotiations and result in increased risk of harm to some of the most vulnerable persons in regional centers. The frequency of license inspections must be the same whether the program is a public or private operation. These programs are all funded with government dollars and consequently extra scrutiny will be placed on them. Vigilance should be applied to insure the minimum standards and federal certification requirements for licensing are met. These services must be licensed and certified during F.Y. 1991. Additional time will be required to complete licensing of community DD programs due to the dispersed nature of the proposed services and the separate licensure of community day and residential programs.

(Dollars in Thousands)

BASE:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 1,388	\$ 1,709	\$ 1,709	\$ 1,709

(Dollars in Thousands)

LONG RANGE IMPLICATIONS:	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 330	\$ 330

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for a biennial reduction of \$99,000. This will allow for a phase-in of new positions in F.Y. 1990

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: RTC SYSTEMWIDE
 PROGRAM: STATE RESIDENTIAL FACILITIES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: RTC NEGOTIATIONS: REDUCTION OF OAK TERRACE NURSING HOME

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Oak Terrace MA Grants	\$(796) 726	(70.0)	\$(2,637) 2,398	(140.0)
Governor's Recommendation				
Oak Terrace MA Grants	\$(796) 726	(70.0)	\$(2,637) 2,398	(140.0)

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department proposes to initiate a process to gradually phase out Oak Terrace Nursing Home (OTNH) during the biennium with a target date for closure of 6-30-92. The department intends to expand the number of sites where it provides skilled nursing care by reassigning beds and relocating positions to other regional treatment centers (RTCs) as it is feasible to do so. This request supports the department's initiatives for RTC negotiations.

DESCRIPTION/BACKGROUND:

The Oak Terrace facility in Minnetonka, which is rented from Hennepin County, has a very old and outmoded physical plant. Because of the poor condition of the physical plant, the department intends to vacate the facility by the end of F.Y. 1992.

Relocation of persons presently residing at OTNH will be carefully accomplished and will attempt to take into account any remaining ties to family or community as well as available capacity in community nursing homes. Relocation will take into account personal choices and follow the department rule governing relocation.

The RTC negotiations proposal addresses the location of nursing home beds at Brainerd, Faribault, Fergus Falls, Moose Lake, St. Peter and Willmar RTCs. Initially, beds will be assigned to Brainerd, Faribault and Fergus Falls RTCs in conjunction with the F.Y. 1992 closure of OTNH. Funds will be requested in F.Y. 1990-91 to renovate space at these 3 facilities in order to make this transition possible.

Decisions on the location of nursing home beds will be predicated on individual patient assessments and projected need in the service area. The planning for a new metropolitan psychiatric facility will also include an

assessment to determine the location for the remaining 80 nursing home beds to be operated in the metro area once OTNH is closed. It should be noted, this will enable the transfer of 104 positions to provide care and services in the new facility.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Average Daily Population	275	265	224	166
Effect on Collections *	\$ -0-	\$ -0-	\$ (726)	\$ (2,398)

RATIONALE:

There is a continuing need for the department to provide long-term care to persons who cannot be adequately served in community facilities because they are medically fragile, clinically challenging or exhibit severe or challenging behavior. Dealing with the physical plant inadequacies of OTNH is a necessary first step in the reconfiguration of the department's nursing home capacity.

* The change request shows the impact on Medical Assistance (MA) payments and collection income for cost of care. In accordance with M.S., sec. 256.18, all receipts from collection efforts for regional treatment centers and state nursing homes must be deposited in the MA account and are appropriated for that purpose. As a result, MA costs decrease when collection income increases and MA costs increase when collection income decreases.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 10,068	\$ 9,555	\$ 9,555	\$ 9,555

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 4,842	\$ 1,274

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

ACTIVITY: RESIDENTIAL FACILITIES MANAGEMENT **1990-91 Biennial Budget**
Program: STATE RESIDENTIAL FACILITIES
Agency: HUMAN SERVICES, DEPARTMENT OF

ACTIVITY OBJECTIVE:

To provide managerial direction for administrative and programmatic functions of the 8 regional treatment centers (RTCs) and 2 State Nursing Homes (SNHs) 50 uniform and effective management of human and fiscal resources and quality care and active treatment are provided to individuals served by the residential facilities.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Residential facilities licensed and/or certified	100%	100%	100%	100%
Mental illness Programs accredited	100	100	100	100
Geriatric Programs accredited	50	50	100	100
Mentally ill client court activity related to the administration of medication accomplished within 2 weeks of petition filing	-0-	30	70	90

ACTIVITY DESCRIPTION:

The major functions of this activity are to:

1. Monitor and evaluate the quality and appropriateness of client care and treatment through the Quality Assurance and Utilization Review mechanisms to resolve identified problems and assure active treatment.
2. Coordinate development of Management Information Systems for the residential facilities to enhance the quality of facility management by automating clinical, fiscal, and administrative record keeping functions.
3. Review, develop, and implement policies and procedures by which the residential facilities provide treatment and protect the rights, dignity, and physical and mental well-being of the residents and patients.
4. Assist residential facilities in meeting applicable accreditation, certification, and licensure requirements.
5. Plan, develop, and monitor the provision of care and active treatment to individuals who are mentally ill, developmentally disabled, chemically dependent, or geriatric patients with behavior problems.
6. Coordinate the statutorily required Special Review Board function which governs the transfer, provisional discharge, or discharge of special category patients.
7. Coordinate preparation of biennial and capital improvement budgets, and monitor operating expenditures to assure resources are efficiently and effectively utilized to meet programmatic and administrative functions.
8. Monitor staffing requirements, physical plant needs, forms management, and provide coordination for matters concerning Welsch v. Gardebring Negotiated Settlement and Jarvis litigation.
9. Prepare population census and other management reports pertinent to the operation of the residential facilities.
10. Facilitate the delivery of mutually beneficial and cost-effective services through shared services agreements.

ACCOMPLISHMENTS AND GOALS:

These responsibilities support the state residential facilities in providing quality, effective, and appropriate care and treatment to patients and residents so that they may return to and successfully function in the community or in less restrictive treatment settings.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of program reviews completed by program coordinators for Developmentally Disabled and Mental Health Programs	2	7	14	14
No. of technical assistance contacts related to RTC programs for Developmentally Disabled and Mentally Ill	-0-	500	600	700
No. of consultations related to correction plans following licensure, accreditation, and certification surveys	5	20	20	20
No. of hand gun application reviews	9,000	9,000	9,000	9,000
No. of technical assistance contacts related to the Mental Health commitment process	800	800	800	800
No. of Special Review Board Hearings coordinated	35	35	35	35
No. of Residential Facilities Manual policies processed	160	180	200	220
No. of contracts reviewed	200	225	255	280
No. of physical plant projects supervised	160	140	150	165

REVENUE:

Expenditures for this activity are included in the rates calculated for the regional treatment centers. Regional treatment center revenues are collected by the department's Reimbursement Division and are dedicated to the Medical Assistance account by statute.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity except for the change pages which follow.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : STATE RESIDENTIAL FACILITIES
BUDGET ACTIVITY : RESIDENTIAL FACILITIES MANAGEMENT

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	1,960	521	538	1,387	1,925	1,761	538	1,580	2,118	1,761
EXPENSES/CONTRACTUAL SRVCS	442	674	539	2,149	2,688	783	539	930	1,469	785
MISC OPERATING EXPENSES	56	41	41	87	128	76	41	89	130	80
SUPPLIES/MATERIALS/PARTS	131	15	15	25	40	25	15	25	40	25
CAPITAL EQUIPMENT	30	12	9	2,045	2,054	60	9	1,698	1,707	9
REDISTRIBUTIONS	0	1	1	0	1	1	1	0	1	1
STATE OPERATIONS	2,619	1,264	1,143	5,693	6,836	2,706	1,143	4,322	5,465	2,661
LOCAL ASSISTANCE	0	0	0	175	175	175	0	70	70	70
TOTAL EXPENDITURES	2,619	1,264	1,143	5,868	7,011	2,881	1,143	4,392	5,535	2,731
CHANGE REQUESTS:										
	FUND									
B SUPPORT QUALITY IMPROVEMENT ACTIVITIES	GEN			386		386		375		375
B AUTOMATION FOR IMPROVED QUALITY	GEN			3,460		0		2,804		0
B RTC NEGOTIATION - METRO FACIL/SOCS PLAN	GEN			670		0		0		0
B RTC NEG - COMMUNITY GROUPS	GEN			175		175		70		70
B RTC NEG - CTS	GEN			1,177		1,177		1,143		1,143
TOTAL CHANGE REQUESTS				5,868		1,738		4,392		1,588
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	2,590	1,237	1,119	5,868	6,987	2,857	1,119	4,392	5,511	2,707
STATUTORY APPROPRIATIONS:										
FEDERAL	29	27	24	0	24	24	24	0	24	24
TOTAL FINANCING	2,619	1,264	1,143	5,868	7,011	2,881	1,143	4,392	5,535	2,731
POSITIONS BY FUND:										
GENERAL	12.0	12.0	12.0	21.0	33.0	29.0	12.0	27.0	39.0	29.0

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : STATE RESIDENTIAL FACILITIES
BUDGET ACTIVITY : RESIDENTIAL FACILITIES MANAGEMENT

POSITIONS BY FUND:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
TOTAL POSITIONS	12.0	12.0	12.0	21.0	33.0	29.0	12.0	27.0	39.0	29.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: RESIDENTIAL FACILITIES MANAGEMENT
 PROGRAM: STATE RESIDENTIAL FACILITIES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: SUPPORT QUALITY IMPROVEMENT ACTIVITIES

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
General Fund	\$ 386	4.0	\$ 375	4.0
General Fund (MA Grants)*	\$ (231)		\$ (214)	
Governor's Recommendation				
General Fund	\$ 386	4.0	\$ 375	4.0
General Fund (MA Grants)*	\$ (231)		\$ (214)	

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests funds and positions to expand program management support to the regional treatment centers through the leadership of key professionals. This request allows implementation of a quality assurance system that establishes organized, systematic approaches to monitoring and evaluating quality and appropriateness of health care, pursues opportunities to improve care, resolves identified problems and monitors outcomes of corrective actions. This budget request supports the department's initiative for regional treatment center (RTC) quality improvement.

DESCRIPTION/BACKGROUND:

The department lacks a standardized format for obtaining valid statistical reporting information to alert management to substandard performance which may result in a loss of accreditation, certification, reimbursements, or sanctions from regulating agencies.

This program is designed to provide the facilities with assistance in developing and implementing innovative corrective plans which enhance treatment services. In the last several years, a number of issues have sensitized the department to the need for improved quality of care and treatment programs within the residential facilities. As the movement toward community alternatives continues, the RTCs are left serving clientele who present the most complex of treatment challenges and require the greatest range and degree of skill in the delivery of their individual care.

Through development of a plan which focuses on a multi-facility system of hospitals and nursing homes, it is possible to maximize the value and efficiency of our staff. Issues, such as medical records, can be handled in a standardized method to assure compliance with medical and legal expectations.

Phase I of the Quality Management Program will focus on monitoring compliance with external licensing, certification and accreditation standards, and development of this process as an ongoing activity. Phase II will integrate information into a computerized report format. In addition, work will proceed to identify clinically valid criteria to be used on a systemwide basis to evaluate outcomes of care. Under the Joint Commission on Accreditation of Health Care Organizations (JCAHO) standards, the department is charged with the responsibility for assuring that there is a planned and systematic quality assurance process.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Effect on Collections *	\$ -0-	\$ -0-	\$ 231	\$ 214

RATIONALE:

Both professional and regulatory standards have been, and continue to be, upgraded to embody the active treatment concept. Failure to keep pace with these requirements poses a threat to loss of consumer confidence, JCAHO accreditation, and federal reimbursement. The RTCs must consistently satisfy the public with the quality of their product.

This request is necessary to provide the technical assistance needed for a quality improvement effort oriented toward improved client outcomes within a multi-facility system model. Through this program, staff will be reinforced by a process of peer review and evaluation of program compliance and effectiveness, followed by training opportunities designed to meet targeted needs.

* The change request shows the impact on Medical Assistance (MA) payments and collection income for cost of care. In accordance with M.S., sec. 246.18, all receipts from collection efforts for regional treatment centers and state nursing homes must be deposited in the MA account and are appropriated for that purpose. As a result, MA costs decrease when collection income increases, and MA costs increase when collection income decreases.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 300	\$ 300

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: RESIDENTIAL FACILITIES MANAGEMENT
 PROGRAM: STATE RESIDENTIAL FACILITIES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: AUTOMATION FOR IMPROVED QUALITY

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$3,460	4.0	\$2,804	10.0
General Fund (MA Grants)*	(\$ 341)		(\$ 556)	
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to automate program and administration systems essential to the effective, efficient operation of the regional treatment centers and state-operated nursing homes. This budget requests supports the department's initiative for Regional Treatment Center Quality Improvement.

DESCRIPTION/BACKGROUND:

The regional treatment centers and nursing homes are in an increasingly regulated service delivery industry. The documentation needs and performance standards set by regulatory agencies require an increase in the level of automated processing of clinical, fiscal, quality assurance, utilization review, and support service functions and the availability of quality information. The department will implement a system which will monitor the quality of care provided to each client, measure the level of compliance with health care standards, and provide management with quality fiscal information.

Standard procedures and performance criteria will be established for each area of automation medical records, physician's orders, progress charting, pharmacy, dietary, professional services, business office, plant management, and reimbursement. Teams will develop procedures and performance standards in each area prior to implementation. Pre- and post-audits will be conducted to assure that benefits of automation are being realized. This process will assure a high level of care for clients and efficient performance of support work. The project will benefit clients receiving care, assure that state funds are judiciously expended, and ensure compliance with standards set by regulatory agencies. Trained staff will be freed to provide professional services while computers track clients, monitor activities, and record transactions. Implementation of this system and modernization of policy, procedure, and methods is critical as the department moves to redefine its

role in the provision of direct services to developmentally disabled, chemically dependent, and mentally ill populations.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number of Sites Automated	-0-	-0-	7	11
Hours of Training Provided	-0-	-0-	840	480
Productive Gain in Nursing/ Client Hours	-0-	-0-	5%	20%
Productive Gain in Dietary/Food Service Hours	-0-	-0-	5%	10%
Productive Gain in Professional Pharmacy Hours	-0-	-0-	5%	10%
Increase in Productive Support Staff Hours	-0-	-0-	5%	10%
Increase in Fees Collected	-0-	-0-	1%	5%
Decrease in Pharmaceutical Expenses	-0-	-0-	1%	3%
Increased Effectiveness of Food Usage	-0-	-0-	1%	2%
Effect on Collections *	\$ -0-	\$ -0-	\$ 341	\$ 556

RATIONALE:

Clinical support functions of the system will protect against decertification by regulatory agencies, prevent revenue losses and directly impact the quality of care. Automation of medical records will enhance quality assurance and utilization review. Performance criteria will be continuously monitored allowing staff to analyze patterns and trends in the quality of service. Problem identification and remediation will be effected before regulatory reviews, notices of nonpayment, or other sanctions occur.

Experiences in other settings demonstrate a return on investment within one year of full implementation. The plethora of documentation requirements imposed on the health care industry has eroded the hours available for client/staff interactions. Automating these functions will increase the number of productive hours available by 10% to 40% depending on the professional discipline involved. Additional gains in productivity are expected by the department's implementation of a benefits realization program which will establish targets for improved performance with regular progress reviews and corrective action.

Management support is needed to move the state network of residential facilities through a transitional period as it redefines the public sector role. Detailed information about clients including the ability to pose "what if" scenarios regarding client moves and optimal staffing patterns is required.

A critical benefit to be gained by an automated system is management information used in comparing performance across programs, developing product-line client profiles, trends in service delivery and expenses, monitoring critical tasks, and generally providing information needed to manage health care facilities in the current environment. Staff requested to support the implementation of statewide automation will develop training and ongoing support, maintain equipment and software, provide management analysis, and assist with organizational development.

CHANGE REQUEST 1990-91 Biennial Budget
____ Agency _____ Program X Activity
(Continuation)

ACTIVITY: RESIDENTIAL FACILITIES MANAGEMENT
PROGRAM: STATE RESIDENTIAL FACILITIES
AGENCY: HUMAN SERVICES, DEPARTMENT OF

* The change request shows the impact on Medical Assistance (MA) payments and collection income for cost of care. In accordance with M.S., sec. 246.18, all receipts from collection efforts for regional treatment centers and state nursing homes must be deposited in the MA account and are appropriated for that purpose. As a result, MA costs decrease when collection income increases, and MA costs increase when collection income decreases.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	<u>(Dollars in Thousands)</u>	
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>
General Fund Expenditures	\$ 1,109	\$ 1,109

GOVERNOR'S RECOMMENDATION:

The request has been reviewed and not recommended for funding by the Information Policy Office (IPO). The Governor concurs with the IPO recommendation.

ACTIVITY: ANOKA METRO REGIONAL TREATMENT CENTER
Program: STATE RESIDENTIAL FACILITIES
AGENCY: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

To provide active treatment consistent with industry standards and state and federal regulations for persons with mental illness or chemical dependency. The objective is to complement program alternatives in the service area by assisting individuals, in the least restrictive setting and shortest length of stay possible, to make documented progress toward personal habilitative or rehabilitative goals which are necessary for their successful reintegration into normal community life.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Mental Illness				
Average length of stay (days)	275.3*	140	140	140
Percent readmissions	48%	46%	46%	46%
Percent readmissions within 6 months	14%	18%	18%	18%
Chemical Dependency				
Average length of stay (days)				
Primary treatment	21.4	24	24	24
Extended treatment	68	68	68	68
Percent readmissions	17%	15%	15%	15%
Percent readmissions within 6 months	15%	13%	13%	13%
Percent clients completing treatment	69%	70%	70%	70%

*Increase due to discharge of some very long term patients.

ACTIVITY DESCRIPTION:

The Anoka-Metro Regional Treatment Center (AMRTC) provides primarily inpatient care, treatment and rehabilitation for mentally ill (MI) citizens of Anoka, Dakota, Hennepin, Ramsey, Sherburne and Washington counties and for chemically dependent (CD) citizens of Minnesota through a Host County contract with Anoka County Social Services. The facility began its chemical dependency (CD) outpatient program in May 1988.

Within parameters established by the Department of Human Services (DHS), the Center has organized its programs to complement local agency resources according to locally identified population needs. Guiding patient care principles are provision of the least restrictive, most normal environment possible; assurance of personal safety; and enhancement of individual self-sufficiency. Available resources are used effectively and efficiently to return the patient to the community as soon as possible.

ACCOMPLISHMENTS AND GOALS:

MI length-of-stay increased for discharged patients by 77% between F.Y. 1987

and F.Y. 1988 because of the discharge of patients with very long lengths of stay. In F.Y. 1988 this facility admitted 1242 people, discharge 1276, and diverted 121 committed mentally ill patients, and referred another 27 inpatient patients to other regional treatment centers due to a lack of bed space. The facility high utilization rate continued at 86% for F.Y. 1988.

CD program successfully met its budget projections under the Consolidated Chemical Dependency Treatment Fund. During the last 6 months, December, 1987 to May, 1988, the average daily census was 64 patients.

Goals for the 1990-91 Biennium are: To enhance measurement of effectiveness of treatment through quality assurance and facility monitoring systems; to continue upgrading the living and treatment environment; to provide improved safety, security and suicide proof measures; and to maintain full accreditation by the Joint Commission on Accreditation of Health Care Organizations.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Average Daily Population-Total				
Mentally Ill	203	297	297	297
Chemically dependent	236	237	237	237
Admissions-Total				
Mentally Ill	67	60	60	60
Chemically dependent	1,242	1,250	1,260	1,260
Discharges-Total				
Mentally Ill	343	350	360	360
Chemically dependent	899	900	900	900
REVENUE:				
Expenditures for this activity are included in rates calculated for the regional treatment centers. Regional treatment center revenues are collected by the Reimbursement Division Activity and are dedicated to the Medical Assistance account by statute. Detail on regional treatment center revenues is found on the Reimbursement Division budget page.				

REVENUE:

Expenditures for this activity are included in rates calculated for the regional treatment centers. Regional treatment center revenues are collected by the Reimbursement Division Activity and are dedicated to the Medical Assistance account by statute. Detail on regional treatment center revenues is found on the Reimbursement Division budget page.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity except for the changes detailed under "Regional Treatment Centers Systemwide."

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : STATE RESIDENTIAL FACILITIES
BUDGET ACTIVITY : ANOKA METRO RTC

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	13,405	15,211	15,773	0	15,773	15,773	15,773	0	15,773	15,773
EXPENSES/CONTRACTUAL SRVCS	697	682	835	0	835	835	710	0	710	710
MISC OPERATING EXPENSES	574	632	640	0	640	640	640	0	640	640
SUPPLIES/MATERIALS/PARTS	1,177	1,148	1,269	0	1,269	1,269	1,325	0	1,325	1,325
CAPITAL EQUIPMENT	42	546	531	0	531	531	468	0	468	468
REDISTRIBUTIONS	616	1,023	1,023	0	1,023	1,023	1,023	0	1,023	1,023
STATE OPERATIONS	16,511	19,242	20,071	0	20,071	20,071	19,939	0	19,939	19,939
AIDS TO INDIVIDUALS	6	6	6	0	6	6	6	0	6	6
TOTAL EXPENDITURES	16,517	19,248	20,077	0	20,077	20,077	19,945	0	19,945	19,945
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	14,674	15,566	16,395	0	16,395	16,395	16,263	0	16,263	16,263
STATUTORY APPROPRIATIONS:										
GENERAL	96	43	43	0	43	43	43	0	43	43
FEDERAL	5	0	0	0	0	0	0	0	0	0
AGENCY	345	349	349	0	349	349	349	0	349	349
GIFTS AND DEPOSITS	0	1	1	0	1	1	1	0	1	1
ENTERPRISE	1,397	3,289	3,289	0	3,289	3,289	3,289	0	3,289	3,289
TOTAL FINANCING	16,517	19,248	20,077	0	20,077	20,077	19,945	0	19,945	19,945
POSITIONS BY FUND:										
GENERAL	380.6	434.6	434.6	0.0	434.6	434.6	434.6	0.0	434.6	434.6
ENTERPRISE	37.6	42.6	42.6	0.0	42.6	42.6	42.6	0.0	42.6	42.6
TOTAL POSITIONS	418.2	477.2	477.2	0.0	477.2	477.2	477.2	0.0	477.2	477.2

ACTIVITY: BRAINERD REGIONAL HUMAN SERVICES CENTER
1990-91 Biennial Budget
Program: STATE RESIDENTIAL FACILITIES
AGENCY: HUMAN SERVICES, DEPARTMENT OF

ACTIVITY OBJECTIVE:

To provide active treatment consistent with industry standards and state and federal regulations for persons with mental illness, developmental disabilities, or chemical dependency. The objective is to complement program alternatives in the service area by assisting individuals, in the least restrictive setting and shortest length of stay possible, to make documented progress toward personal habilitative or rehabilitative goals which are necessary for their successful reintegration into normal community life.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Mental Illness				
Average length of stay (days)	34	90	120	180
Percent readmissions	46%	41%	50%	50%
Percent readmissions within 6 months	46%	41%	35%	35%
Developmental Disabilities				
Percent of residents placed	16%	34%	32%	38%
Percent in continued placement 3 months after placement	95%	94%	94%	97%
1 year after placement	95%	94%	94%	97%
Chemical Dependency				
Average length of stay (days)	28	28	30	35
Percent readmissions	32%	32%	40%	42%
Percent readmissions within 6 months	8%	8%	10%	12%
Percent clients completing treatment	69%	70%	77%	80%
Adolescent Program				
Average length of stay (days)	150	100	70	60
Percent readmissions	16%	10%	15%	15%
Percent readmissions within 6 months	11%	7%	10%	10%

ACTIVITY DESCRIPTION:

The Brainerd Regional Human Services Center (BRHSC) provides inpatient services to the mentally ill, chemically dependent, and developmentally disabled clients of the 12 counties of North Central Minnesota. The center works with county social services and area mental health centers in developing programs that meet the needs of the consumer public. The center offers special programs for mentally ill adolescents, a chemical dependency program for adult and adolescent Native Americans based on cultural beliefs, and a program for individuals diagnosed as both mentally ill and developmentally disabled.

ACCOMPLISHMENTS AND GOALS:

The center continues to be fully licensed and certified for reimbursement by Medicare and Medicaid. The chemical dependency program has successfully begun the transition with the Consolidated Chemical Dependency Treatment Fund. The center has worked out shared service agreements with the Northern

Pines Mental Health Center as well as agreements with Crow Wing County for a Jail Annex Program for meals, laundry, and chemical dependency counseling services.

The goals for the 1990-91 biennium are:

1. Continue to refine the program services necessary to stay competitive under the Consolidated Chemical Dependency Treatment Fund.
2. Develop the state-operated group homes allocated to BRHSC.
3. Continue to meet the demands for program services to mentally ill adults and adolescents of the region.
4. Continue to provide active treatment that meets the regulatory requirements for state and federal requirements.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Average Daily Population-Total	343	333	308	287
Mentally Ill	72	76	80	80
Developmentally Disabled	182	165	143	122
Adolescent Program-Rule 5	38	42	35	30
Chemically Dependent	51	50	50	55
Admissions-Total	1,099	1,184	958	992
Mentally Ill	476	300	280	260
Developmentally Disabled	9	31	20	20
Chemically Dependent	518	753	558	602
Adolescent Program-Rule 5	96	100	100	110
Discharge-Total	1,148	1,150	941	974
Mentally Ill	484	260	250	240
Developmentally Disabled	29	48	42	41
Chemically Dependent	538	742	549	593
Adolescent Program-Rule 5	97	100	100	100

REVENUE:

Expenditures for this activity are included in rates calculated for the regional treatment centers (RTC). RTC revenues are collected by the Reimbursement Division activity and are dedicated to the medical assistance account by statute. Detail on RTC revenues is found on the Reimbursement Division budget page.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity except for changes detailed under "Regional Treatment Centers Systemwide."

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : STATE RESIDENTIAL FACILITIES
BUDGET ACTIVITY : BRAINERD RHSC

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	18,295	18,010	19,003	0	19,003	19,003	19,003	0	19,003	19,003
EXPENSES/CONTRACTUAL SRVCS	405	524	621	0	621	621	506	0	506	506
MISC OPERATING EXPENSES	745	764	762	0	762	762	762	0	762	762
SUPPLIES/MATERIALS/PARTS	1,475	1,712	1,572	0	1,572	1,572	1,542	0	1,542	1,542
CAPITAL EQUIPMENT	321	147	99	0	99	99	32	0	32	32
REDISTRIBUTIONS	412	765	765	0	765	765	765	0	765	765
STATE OPERATIONS	21,653	21,922	22,822	0	22,822	22,822	22,610	0	22,610	22,610
AIDS TO INDIVIDUALS	7	6	6	0	6	6	6	0	6	6
TOTAL EXPENDITURES	21,660	21,928	22,828	0	22,828	22,828	22,616	0	22,616	22,616
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	20,169	19,632	20,532	0	20,532	20,532	20,320	0	20,320	20,320
STATUTORY APPROPRIATIONS:										
GENERAL	29	134	134	0	134	134	134	0	134	134
SPECIAL REVENUE	78	58	58	0	58	58	58	0	58	58
FEDERAL	52	35	35	0	35	35	35	0	35	35
AGENCY	410	410	410	0	410	410	410	0	410	410
ENTERPRISE	922	1,659	1,659	0	1,659	1,659	1,659	0	1,659	1,659
TOTAL FINANCING	21,660	21,928	22,828	0	22,828	22,828	22,616	0	22,616	22,616
POSITIONS BY FUND:										
GENERAL	553.4	541.5	541.5	0.0	541.5	541.5	541.5	0.0	541.5	541.5
FEDERAL	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ENTERPRISE	25.3	25.3	23.0	0.0	23.0	23.0	23.0	0.0	23.0	23.0
TOTAL POSITIONS	579.2	566.8	564.5	0.0	564.5	564.5	564.5	0.0	564.5	564.5

ACTIVITY: CAMBRIDGE REGIONAL HUMAN SERVICES CENTER
1990-91 Biennial Budget
Program: STATE RESIDENTIAL FACILITIES
AGENCY: HUMAN SERVICES, DEPARTMENT OF

ACTIVITY OBJECTIVE:

To provide active treatment consistent with industry standards and state and federal regulations for persons with developmental disabilities. The objective is to complement program alternatives in the service area by assisting individuals, in the least restrictive setting and shortest length of stay possible, to make documented progress toward habilitative or rehabilitative goals which are necessary for their successful reintegration into normal community life.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Developmental Disabilities				
Number of Persons Placed	49	40	35	35
Percent in continued placement				
3 months after placement	100%	100%	100%	100%
1 year after placement	90%	90%	90%	90%

ACTIVITY DESCRIPTION:

The Cambridge Regional Human Services Center (CRHSC) provides residential, habilitative, therapeutic, and health care services for mentally retarded and developmentally disabled citizens of East Central Minnesota. The CRHSC directly operates 7 specialized residential and day training programs on campus for severely and profoundly mentally retarded persons, who have additional functional problems such as physical disabilities or have significant health problems, and for mildly to moderately retarded persons who have challenging behaviors or exhibit significant signs of mental illness. In addition, the CRHSC operates 3 State-Operated Community Services (SOCS) homes for clients who have been discharged from the regional treatment center.

In carrying out this activity, the CRHSC focuses on the locally established needs within the service area and program directions as established by the Department of Human Services. The most efficient and effective services are provided within the resources available. Services are delivered in a manner which ensures the least restrictive environment, minimizes the likelihood of physical harm to self or others, and reinforces resident self-sufficiency goals by maximizing individual resident potential for return to a more normal community environment.

ACCOMPLISHMENTS AND GOALS:

1. The CRHSC has been reviewed by state authorities during the biennium and has been found to be in compliance with federal and state rules and regulations for Medicaid certification and licensing.
2. Three SOCS homes have been established and are in operation. These homes have met all applicable standards for licensing.
3. Organizational plans have been updated to more effectively provide services to clients in a cost effective manner.
4. Consistent improvements have been made in habilitative services to provide more individualized, community focused services to clients.
5. Implementation of the minimum effective dose plan for the use of psycho-

tropic medications has resulted in significant reductions in medication use at the CRHSC.

The goals for the 1990-91 biennium are:

1. increase community based day programming;
2. maintain licensure and certification of facility operations; and
3. work with counties to increase discharge of special needs clients.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Average Daily Population	335	300	261	223
Admissions	15	10	10	10
Discharges	50	45	49	48

REVENUE:

Expenditures for this activity are included in rates calculated for the regional treatment centers (RTC). RTC revenues are collected by the Reimbursement Division and are dedicated to the medical assistance account by statute. Detail on RTC revenues is found on the Reimbursement Division budget page.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity except for the changes detailed under "Regional Treatment Centers Systemwide."

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : STATE RESIDENTIAL FACILITIES
BUDGET ACTIVITY : CAMBRIDGE RHSC

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	21,020	20,642	21,730	0	21,730	21,730	21,730	0	21,730	21,730
EXPENSES/CONTRACTUAL SRVCS	382	514	589	0	589	589	451	0	451	451
MISC OPERATING EXPENSES	499	773	729	0	729	729	718	0	718	718
SUPPLIES/MATERIALS/PARTS	1,492	1,453	1,342	0	1,342	1,342	1,257	0	1,257	1,257
CAPITAL EQUIPMENT	44	19	46	0	46	46	11	0	11	11
STATE OPERATIONS	23,437	23,401	24,436	0	24,436	24,436	24,167	0	24,167	24,167
AIDS TO INDIVIDUALS	1	1	1	0	1	1	1	0	1	1
TOTAL EXPENDITURES	23,438	23,402	24,437	0	24,437	24,437	24,168	0	24,168	24,168
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	22,478	22,346	23,381	0	23,381	23,381	23,112	0	23,112	23,112
STATUTORY APPROPRIATIONS:										
GENERAL	651	746	746	0	746	746	746	0	746	746
SPECIAL REVENUE	20	11	11	0	11	11	11	0	11	11
FEDERAL	1	0	0	0	0	0	0	0	0	0
AGENCY	288	299	299	0	299	299	299	0	299	299
TOTAL FINANCING	23,438	23,402	24,437	0	24,437	24,437	24,168	0	24,168	24,168
POSITIONS BY FUND:										
GENERAL	697.0	642.6	642.6	0.0	642.6	642.6	642.6	0.0	642.6	642.6
TOTAL POSITIONS	697.0	642.6	642.6	0.0	642.6	642.6	642.6	0.0	642.6	642.6

ACTIVITY: FARIBAULT REGIONAL CENTER
Program: STATE RESIDENTIAL FACILITIES
AGENCY: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

To provide active treatment consistent with industry standards and state and federal regulations for persons with developmental disabilities. The objective is to complement program alternatives in the service area by assisting individuals, in the least restrictive setting and shortest length of stay possible, to make documented progress toward personal habilitative or rehabilitative goals which are necessary for their successful reintegration into normal community life.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Developmental Disabilities				
Percent of residents placed	10%	10%	10%	10%
Percent in continued placement				
3 months after placement	95%	95%	95%	95%
1 year after placement	90%	90%	90%	90%

ACTIVITY DESCRIPTION:

The Faribault Regional Center (FRC) provides inpatient evaluation and individualized training for developmentally disabled persons in a 13-county area of Southeastern Minnesota which includes Hennepin, Dakota and Olmsted counties. Services are provided to meet identified needs of individual clients and include behavior control, treatment of physically handicapping conditions, activities of daily independent living, supportive employment and vocational training, recreation, socialization, communication and health services all within a basic framework of community integration and natural environment.

In carrying out this activity, the FRC focuses on established needs of the service areas, within program directions established by the Department of Human Services, and the development of client self-sufficiency skills. Services are delivered in a manner which maximizes individual potential for return to a less restrictive environment, reinforces client self-sufficiency goals, minimizes the likelihood of physical harm to self or others within the least restrictive environment.

ACCOMPLISHMENTS AND GOALS:

The FRC is in full compliance with federal and state rules and regulations, and is well regarded for providing effective quality programs for clients. It insures clients are prepared for community placement so county case managers can fully utilize community facilities.

The FRC operates four community group homes located in Byron, Dodge Center, Farmington and Faribault. The operation of the homes has met and exceeded expectations by the families and counties involved, the facility and Department. They serve as models for expansion of State-Operated Community Group Homes. The FRC pioneered "Supportive Employment" for all regional treatment centers (RTC) in Minnesota and has received state and national recognition for its success. Currently, over 50% of clients are involved in supportive employment which involves light manufacturing, hog farming, motel cleaning,

automated car washing, city park maintenance, auto repair and various services involving local business and individuals. The FRC is cooperating with the local, department and legislative task forces to identify expanded and/or alternate uses of the facility. It is expanding regional services to assist clients living in natural homes and a variety of community provider facilities. The FRC has established a unit for hearing and/or visually impaired clients and is developing special programs and services for these persons as a cooperative effort with the local State Academies for the Hearing and Visually Impaired. The FRC has assisted community providers as well as other regional centers as requested. The Center provides laundry, bakery products, telecommunications, radio paging and staff training to public and private health care facilities in the region and metropolitan area through shared service contracts.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Average Daily Population Total	547	504	437	374
Admissions	25	20	20	20
Discharges	60	63	87	83

REVENUE:

Expenditures for this activity are included in rates calculated for the RTCs. RTC revenues are collected by the Reimbursement Division and are dedicated to the medical assistance account by statute. Detail on RTC revenues is found on the Reimbursement Division budget page.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity except for the changes detailed under RTCs Systemwide.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : STATE RESIDENTIAL FACILITIES
BUDGET ACTIVITY : FARIBAULT RC

EXPENDITURES:	F.Y. 1990					F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	29,432	29,236	30,725	0	30,725	30,725	30,725	0	30,725	30,725
EXPENSES/CONTRACTUAL SRVCS	432	584	771	0	771	771	646	0	646	646
MISC OPERATING EXPENSES	881	906	913	0	913	913	913	0	913	913
SUPPLIES/MATERIALS/PARTS	1,956	2,308	2,065	0	2,065	2,065	1,964	0	1,964	1,964
CAPITAL EQUIPMENT	412	35	123	0	123	123	11	0	11	11
STATE OPERATIONS	33,113	33,069	34,597	0	34,597	34,597	34,259	0	34,259	34,259
AIDS TO INDIVIDUALS	3	3	3	0	3	3	3	0	3	3
TOTAL EXPENDITURES	33,116	33,072	34,600	0	34,600	34,600	34,262	0	34,262	34,262
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	31,439	31,242	32,770	0	32,770	32,770	32,432	0	32,432	32,432
STATUTORY APPROPRIATIONS:										
GENERAL	1,132	1,251	1,251	0	1,251	1,251	1,251	0	1,251	1,251
SPECIAL REVENUE	30	96	96	0	96	96	96	0	96	96
FEDERAL	41	9	9	0	9	9	9	0	9	9
AGENCY	471	471	471	0	471	471	471	0	471	471
GIFTS AND DEPOSITS	3	3	3	0	3	3	3	0	3	3
TOTAL FINANCING	33,116	33,072	34,600	0	34,600	34,600	34,262	0	34,262	34,262
POSITIONS BY FUND:										
GENERAL	981.4	920.3	914.4	0.0	914.4	914.4	914.4	0.0	914.4	914.4
FEDERAL	1.8	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL POSITIONS	983.2	922.1	914.4	0.0	914.4	914.4	914.4	0.0	914.4	914.4

ACTIVITY: FERGUS FALLS REGIONAL TREATMENT CENTER 1990-91 Biennial Budget
Program: STATE RESIDENTIAL FACILITIES
AGENCY: HUMAN SERVICES, DEPARTMENT OF

ACTIVITY OBJECTIVE:

To provide active treatment consistent with industry standards and state and federal regulations for persons with mental illness, developmental disabilities, or chemical dependency. The objective is to complement program alternatives in the service area by assisting individuals, in the least restrictive setting and shortest length of stay possible, to make documented progress toward personal habilitative or rehabilitative goals which are necessary for their successful reintegration into normal community life.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Mental Illness				
Average length of stay (days)				
All Programs	164	166	167	167
Crisis Center	6.7	7.0	7.5	7.5
Percent readmissions	64%	62%	61%	61%
Percent readmissions within 6 months	17%	16%	15%	14%
Developmental Disabilities				
Percent of residents placed	15%	20%	20%	20%
Percent in continued placement 3 months after placement	96%	96%	96%	96%
1 year after placement	94%	94%	94%	94%
Chemical Dependency				
Average length of stay (days)	32	32	32	32
Percent readmissions	46%	40%	40%	40%
Percent readmissions within 6 months	14%	14%	13%	12%
Percent clients completing treatment	60%	62%	64%	66%

ACTIVITY DESCRIPTION:

The Fergus Falls Regional Treatment Center (FFRTC) provides inpatient and outpatient care, treatment, rehabilitation, and habilitation services to mentally ill (MI), chemically dependent (CD), and developmentally disabled (DD) clients. The majority of residents are from 17 northwest counties of Minnesota. The CD program offers special adolescent, women's and extended CD services to clients from throughout the state.

FFRTC provides a range of acute and extended care inpatient services. Other treatment opportunities are developed by contractual and shared service agreements with community human services agencies. Such agreements are designed to enhance community programs, are needed to expand opportunity for client treatment choice, and improve the availability and cost effectiveness of services for residents of Northwestern Minnesota.

ACCOMPLISHMENTS AND GOALS:

FFRTC has established a CD outpatient program and reorganized the primary and

extended care CD programs in response to the Consolidated Chemical Dependency Treatment Fund. Other facility programs were enhanced through development of the MI Admissions Crisis Center, expansion of family services, and development of specialized treatment capabilities for individuals diagnosed as both mentally ill and developmentally disabled. Continued cooperative ventures with counties have not only expanded services but improved interagency coordination and communication.

The goals for the 1990-91 biennium are to:

1. Provide a range of effective treatment programs for MI, DD, and CD clients, and return clients to their home communities as soon as possible.
2. Reorganize programs and services to conform to the new Hospital Standards for Joint Commission for Accreditation of Health Care Organizations.
3. Implement a management information system to provide relevant data in a timely manner for decision-making.
4. Establish at least one state-operated community-based service for DD residents in Northwest Minnesota.
5. Participate with county social services to develop, implement, and expand formal aftercare services for MI, DD, and CD.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Average Daily Population Total	354	322	309	299
Mentally Ill	100	100	107	115
Developmentally Disabled	165	147	127	109
Chemically Dependent Inpatient	82	65	65	65
Chemically Dependent Outpatient	7	10	10	10
Admissions Total				
Mentally Ill	1,446	1,510	1,525	1,525
Developmentally Disabled	392	405	420	420
Chemically Dependent	5	5	5	5
Chemically Dependent	1,049	1,100	1,100	1,100
Discharges Total				
Mentally Ill	1,499	1,508	1,530	1,536
Developmentally Disabled	383	390	405	413
Chemically Dependent	25	23	25	23
Chemically Dependent	1,091	1,095	1,100	1,100

REVENUE:

Expenditures in this activity are included in rates calculated for the regional treatment centers (RTC). RTC revenues are collected by the Reimbursement Division activity and are dedicated to the Medical Assistance account by statute. Detail on regional treatment centers is found on the Reimbursement Division page.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity except for changes detailed under RTCs Systemwide.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : STATE RESIDENTIAL FACILITIES
BUDGET ACTIVITY : FERGUS FALLS RTC

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	17,179	16,075	17,964	0	17,964	17,964	17,858	0	17,858	17,858
EXPENSES/CONTRACTUAL SRVCS	471	640	1,107	0	1,107	1,107	1,107	0	1,107	1,107
MISC OPERATING EXPENSES	913	1,180	603	0	603	603	603	0	603	603
SUPPLIES/MATERIALS/PARTS	1,284	1,149	1,441	0	1,441	1,441	1,413	0	1,413	1,413
CAPITAL EQUIPMENT	88	70	94	0	94	94	33	0	33	33
REDISTRIBUTIONS	740	981	981	0	981	981	981	0	981	981
STATE OPERATIONS	20,675	20,095	22,190	0	22,190	22,190	21,995	0	21,995	21,995
AIDS TO INDIVIDUALS	19	21	21	0	21	21	21	0	21	21
TOTAL EXPENDITURES	20,694	20,116	22,211	0	22,211	22,211	22,016	0	22,016	22,016
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	17,555	15,939	18,579	0	18,579	18,579	18,384	0	18,384	18,384
STATUTORY APPROPRIATIONS:										
GENERAL	804	816	271	0	271	271	271	0	271	271
SPECIAL REVENUE	11	33	33	0	33	33	33	0	33	33
FEDERAL	37	41	41	0	41	41	41	0	41	41
AGENCY	357	379	379	0	379	379	379	0	379	379
ENTERPRISE	1,930	2,908	2,908	0	2,908	2,908	2,908	0	2,908	2,908
TOTAL FINANCING	20,694	20,116	22,211	0	22,211	22,211	22,016	0	22,016	22,016
POSITIONS BY FUND:										
GENERAL	486.0	473.0	467.4	0.0	467.4	467.4	467.4	0.0	467.4	467.4
ENTERPRISE	89.9	89.9	55.1	0.0	55.1	55.1	55.1	0.0	55.1	55.1
TOTAL POSITIONS	575.9	562.9	522.5	0.0	522.5	522.5	522.5	0.0	522.5	522.5

ACTIVITY: MOOSE LAKE REGIONAL TREATMENT CENTER 1990-91 Biennial Budget
Program: STATE RESIDENTIAL FACILITIES
Agency: HUMAN SERVICES, DEPARTMENT OF

ACTIVITY OBJECTIVE:

To provide active treatment consistent with industry standards and state and federal regulations for persons with mental illness, developmental disabilities, or chemical dependency. The objective is to complement program alternatives in the service area by assisting individuals, in the least restrictive setting and shortest length of stay possible, to make documented progress toward personal habilitative goals into normal community life.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Mental Illness				
Average length of stay (days)	99	95	85	80
Percent readmissions	49%	47%	47%	47%
Percent readmissions within 6 months	34%	30%	28%	25%
Developmental Disabilities				
Percent of residents placed	16%	14%	14%	14%
Percent in continued placement 3 months after placement	93%	100%	100%	100%
1 year after placement	93%	100%	100%	100%
Chemical Dependency				
Average length of stay (days)				
Primary treatment	28	28	28	28
Extended treatment	47	50	50	50
Percent readmissions	37%	35%	30%	30%
Percent readmissions within 6 months	8%	8%	8%	8%
Percent clients completing treatment	63%	65%	70%	70%
Geriatrics				
Average length of stay (days)	1,361	1,350	1,336	1,323
Percent readmissions	68%	60%	55%	55%
Percent readmissions within 6 months	46%	42%	40%	38%

ACTIVITY DESCRIPTION:

Moose Lake Regional Treatment Center (MLRTC) serves the mentally ill, chemically dependent, developmentally disabled, and geriatric clients in Northeastern Minnesota. 1988 marks the 50th year of operation of MLRTC. The Center provides primarily inpatient or residential treatment. In each of the above disabilities, highly specialized programs have been developed in response to the type of clients coming to the Center. All of the clients coming for treatment have acute or chronic problems exacerbated by one or more problems. Alternate treatments have been ineffective or unavailable.

ACCOMPLISHMENTS AND GOALS:

MLRTC's two major goals are (1) to provide quality services at a competitive

cost, and (2) develop flexibility and versatility in offering a wide range of services to meet identified needs of Northeastern Minnesota and in specialized areas statewide. Programs will not be limited to residential treatment, but may include such services as outpatient clinics, technical assistance, and training. Accomplishments include meeting recognized treatment standards for Joint Commission on Accreditation of Health Care Organizations (JCAHO), Health Care Financing Administration (HCFA), Life Safety Code compliance, formalized Quality Assurance Program, and positive consumer/agency satisfaction. A comprehensive cost report system for all RTCs was developed and piloted at MLRTC. This provides an accurate assessment of result (output) in relation to money spent (input). Continued refinement of this system has achieved a more efficient allocation of resources and provision of services. MLRTC has been successful in hiring a number of professional staff in "shortage occupation classifications" including occupational therapy, physical therapy, psychiatry, registered nurses and licensed care providers. A demand exists for additional services such as outpatient therapy, technical assistance, case management, and training. MLRTC has attempted to assist clients, families, county agencies, and other providers in securing appropriate and effective treatment services.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Average Daily Population Total				
Mentally Ill	353	342	343	344
Developmentally Disabled	72	80	85	90
Chemically Dependent	83	72	63	54
Geriatric	74	60	60	60
	124	130	135	140
Admissions Total	1,188	1,017	1,032	1,047
Mentally Ill	351	360	370	380
Developmentally Disabled	1	2	2	2
Chemically Dependent	784	600	600	600
Geriatric	52	55	60	65
Discharges Total	1,213	1,013	1,026	1,041
Mentally Ill	316	350	360	370
Developmentally Disabled	16	13	11	11
Chemically Dependent	834	600	600	600
Geriatric	47	50	55	60

REVENUE:

Expenditures for this activity are included in rates calculated for the regional treatment centers. Regional treatment center revenues are collected by the Reimbursement Division activity and are dedicated to the Medical Assistance account by statute. Detail on regional treatment center revenues is found on the Reimbursement budget page.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity except for changes detailed under Regional Treatment Centers Systemwide.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : STATE RESIDENTIAL FACILITIES
BUDGET ACTIVITY : MOOSE LAKE RTC

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	14,765	13,834	14,944	0	14,944	14,944	14,944	0	14,944	14,944
EXPENSES/CONTRACTUAL SRVCS	469	897	799	0	799	799	674	0	674	674
MISC OPERATING EXPENSES	599	654	643	0	643	643	643	0	643	643
SUPPLIES/MATERIALS/PARTS	1,247	1,205	1,288	0	1,288	1,288	1,313	0	1,313	1,313
CAPITAL EQUIPMENT	71	41	79	0	79	79	2	0	2	2
REDISTRIBUTIONS	555	778	778	0	778	778	778	0	778	778
STATE OPERATIONS	17,706	17,409	18,531	0	18,531	18,531	18,354	0	18,354	18,354
AIDS TO INDIVIDUALS	4	5	5	0	5	5	5	0	5	5
TOTAL EXPENDITURES	17,710	17,414	18,536	0	18,536	18,536	18,359	0	18,359	18,359
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	15,695	14,860	15,982	0	15,982	15,982	15,805	0	15,805	15,805
STATUTORY APPROPRIATIONS:										
GENERAL	9	1	1	0	1	1	1	0	1	1
SPECIAL REVENUE	2	1	1	0	1	1	1	0	1	1
FEDERAL	3	0	0	0	0	0	0	0	0	0
AGENCY	374	400	400	0	400	400	400	0	400	400
ENTERPRISE	1,627	2,152	2,152	0	2,152	2,152	2,152	0	2,152	2,152
TOTAL FINANCING	17,710	17,414	18,536	0	18,536	18,536	18,359	0	18,359	18,359
POSITIONS BY FUND:										
GENERAL	410.6	427.7	427.7	0.0	427.7	427.7	427.7	0.0	427.7	427.7
ENTERPRISE	101.8	96.8	37.8	0.0	37.8	37.8	37.8	0.0	37.8	37.8
TOTAL POSITIONS	512.4	524.5	465.5	0.0	465.5	465.5	465.5	0.0	465.5	465.5

ACTIVITY: ST. PETER REGIONAL TREATMENT CENTER **1990-91 Biennial Budget**
Program: STATE RESIDENTIAL FACILITIES
Agency: HUMAN SERVICES, DEPARTMENT OF

ACTIVITY OBJECTIVE:

To provide active treatment consistent with industry standards and state and federal regulations for persons with mental illness, developmental disabilities, or chemical dependency. The objective is to complement program alternatives in the service area by assisting individuals, in the least restrictive setting and shortest length of stay possible, to make documented progress toward personal habilitative or rehabilitative goals which are necessary for their successful reintegration into normal community life.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Mental Illness				
Average length of stay (days)	178	168	158	148
Percent readmissions	47%	46%	45%	45%
Percent readmissions within 6 months	28%	27%	26%	26%
Developmental Disabilities				
Percent of clients placed	26%	23.6%	29%	33.3%
Percent of clients placed in continued placement				
3 months after placement	100%	100%	100%	100%
1 year after placement	100%	100%	100%	100%
Chemical Dependency				
Average length of stay (days)	30	30	30	30
Percent readmissions	31%	31%	30%	30%
Percent readmissions within 6 months	14%	13%	13%	13%
Percent client completing treatment	70%	70%	71%	71%

ACTIVITY DESCRIPTION:

The Mental Illness (MI), Chemical Dependency (CD), and Developmentally Disabled (DD) Divisions of SPRTC provide inpatient care, treatment, rehabilitation, and developmental services for mentally ill, chemically dependent, and developmentally disabled citizens.

In addition, the MI Division has continued to develop and increase its Hearing Impaired offerings for clients suffering from major mental illness. During the past year the CD Division has developed and implemented outpatient services to meet the needs of local clients that are in need of treatment but not hospitalization, and has implemented a substance abuse program for the hearing impaired. The DD Division operates an effective vocational training program for the clients it serves, and because of demand, has significantly increased its capability to meet the needs of developmentally disabled clients in need of psychiatric services.

In carrying out these activities, the SPRTC is focusing on local relationships and established needs within the service area. Programs provided reflect the identified needs of the region and deliver quality care services designed to meet the individualized needs of each client in the least restrictive environment.

ACCOMPLISHMENTS AND GOALS:

Accomplishments include: expansion of the programs serving persons who are developmentally disabled and also diagnosed with severe mental illness; and sponsorship of a number of workshops in the area of mental illness, chemical dependency and developmental disabilities all attended by community participants as well as center staff. The CD program has: (1) developed a substance abuse program for the deaf; (2) obtained licensure to provide outpatient services, and (3) developed aftercare services. The MI program has implemented an effective Quality Assurance Program and developed a family education program.

The established 1990-91 biennium goals and objectives for the SPRTC are focused on 6 basic issues: (1) the provision of client services that meet the highest standards for mental health care; (2) the positioning of the facility to be a viable community resource providing in-house client care, staff training, and professional consultation to Minnesota vendors of health services; (3) to further develop the facility's effective information and communication systems; (4) put in place a systematic and ongoing planning process to ensure all resources are effectively utilized; (5) implement a preventive maintenance program for all equipment, furnishings, buildings and grounds; and (6) the development of employee skills via training offerings that increase their capabilities in better meeting the diverse needs of the client population.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Average Daily Population Total	354	349	329	310
Mentally Ill	161	160	160	160
Developmentally Disabled	157	153	133	114
Chemically Dependent	36	36	36	36
Admissions Total	786	765	768	768
Mentally Ill	326	331	331	331
Mentally Retarded	43	17	20	20
Chemically Dependent	417	417	417	417
Discharges Total	779	746	765	764
Mentally Ill	303	308	308	308
Mentally Retarded	41	21	40	39
Chemically Dependent	435	417	417	417

REVENUE:

Expenditures for this activity are included in rates calculated for the regional treatment centers (RTC). RTC revenues are collected by the Reimbursement Division and are dedicated to the medical assistance account. Detail on RTC revenues is found on the Reimbursement Division budget page.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity except for changes detailed under Regional Treatment Centers Systemwide.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : STATE RESIDENTIAL FACILITIES
BUDGET ACTIVITY : ST. PETER RTC

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	16,425	17,817	18,720	0	18,720	18,720	18,720	0	18,720	18,720
EXPENSES/CONTRACTUAL SRVCS	884	1,140	1,325	0	1,325	1,325	1,204	0	1,204	1,204
MISC OPERATING EXPENSES	1,330	1,312	1,374	0	1,374	1,374	1,374	0	1,374	1,374
SUPPLIES/MATERIALS/PARTS	1,907	1,971	2,039	0	2,039	2,039	2,081	0	2,081	2,081
CAPITAL EQUIPMENT	87	74	137	0	137	137	6	0	6	6
REDISTRIBUTIONS	259	318	318	0	318	318	318	0	318	318
STATE OPERATIONS	20,892	22,632	23,913	0	23,913	23,913	23,703	0	23,703	23,703
AIDS TO INDIVIDUALS	5	5	5	0	5	5	5	0	5	5
TOTAL EXPENDITURES	20,897	22,637	23,918	0	23,918	23,918	23,708	0	23,708	23,708
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	19,426	20,788	22,069	0	22,069	22,069	21,859	0	21,859	21,859
STATUTORY APPROPRIATIONS:										
GENERAL	6	54	54	0	54	54	54	0	54	54
SPECIAL REVENUE	7	20	20	0	20	20	20	0	20	20
FEDERAL	9	15	15	0	15	15	15	0	15	15
AGENCY	738	750	750	0	750	750	750	0	750	750
ENTERPRISE	711	1,010	1,010	0	1,010	1,010	1,010	0	1,010	1,010
TOTAL FINANCING	20,897	22,637	23,918	0	23,918	23,918	23,708	0	23,708	23,708
POSITIONS BY FUND:										
GENERAL	483.7	545.1	541.1	0.0	541.1	541.1	541.1	0.0	541.1	541.1
ENTERPRISE	30.6	30.5	19.0	0.0	19.0	19.0	19.0	0.0	19.0	19.0
TOTAL POSITIONS	514.3	575.6	560.1	0.0	560.1	560.1	560.1	0.0	560.1	560.1

ACTIVITY: SECURITY HOSPITAL **1990-91 Biennial Budget**
Program: STATE RESIDENTIAL FACILITIES
AGENCY: HUMAN SERVICES, DEPARTMENT OF

ACTIVITY OBJECTIVE:

The primary purposes are to provide quality forensic services to the court system and to safeguard, treat, habilitate, and rehabilitate mentally ill and dangerous patients during as short a period of hospitalization as feasible and to assist their reintegration into community life. Services provided must meet national standards and state and federal regulations.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Adjudicated Offenders				
Average length of Stay (days)				
Hold Order	48.6	45	40	35
Evaluation	31.1	30	30	30
Treatment	45.3	450	450	450
Percentage of Readmissions	32.3%	31%	30%	30%

ACTIVITY DESCRIPTION:

The Minnesota Security Hospital (MSH) provides multidisciplinary forensic evaluation and therapy services in a 236-bed, secure setting located on the campus of the St. Peter Regional Treatment Center. This facility serves adult males and females from all 87 counties of Minnesota who are admitted pursuant to judicial or other lawful orders for assessment and/or treatment of acute and chronic major mental disorders. These disorders may manifest in severely aggressive and/or dangerous behaviors, including sexual aggression, which present an imminent danger of grave harm to others, self, or property. The need for appropriate protection of society from such aggressive and dangerous individuals is a recognized function of our mission.

A multidisciplinary approach for remission of mental illness and for modification of behavior through many modalities (psychiatric, medical, psychological, social, nursing, behavior analysis, vocational, educational, and activity therapy services) is used with anticipated improvement in the capability to return individuals to society. The MSH also serves as a resource for appropriate security and care for individuals who need long-term care due to the chronicity and intractability of their illness.

ACCOMPLISHMENTS AND GOALS:

Major accomplishments include a reorganization of the administrative structure of the Minnesota Security Hospital, so clear lines of authority and communication were realized. In addition, a procedure to evaluate all areas of the facility on best possible staff use was initiated. The security aspects of the facility were reviewed and major changes in policies and procedures were made to provide a safer, more secure environment. The facility sponsored 4 Family Education Days for families of patients. Also, a major workshop was presented by staff in conjunction with the Minnesota Department of Corrections and the Wisconsin Department of Corrections and Wisconsin State Forensic Treatment Center.

The F.Y. 1990-91 major goals focus on the initiation of a 3 year plan to evaluate the use of staff throughout all units and departments of the

facility. The evaluation will include review of staffing as well as review of services provided in each of the areas, with an eye toward providing the services that meet the needs of the clients in as efficient a manner as possible without sacrificing quality of service. A second major goal is to make the transition from Joint Commission on Accreditation of Health Care Organizations (JCAHO) Consolidated Standards to (JCAHO) Hospital Standards, which will demand a dramatic increase in medical and psychiatric services provided to the clients.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Average Daily Population Total	223	225	225	225
Admissions Total	260	265	265	265
Forensic Evaluation	135	140	140	140
Psychiatric Treatment	107	107	107	107
Hold order	18	18	18	18
Discharges Total	255	263	263	263

REVENUE:

Expenditures for this activity are included in rates calculated for the regional treatment centers. Regional treatment center revenues are collected by the Reimbursement Division and are dedicated to the Medical Assistance account. Detail on regional treatment center revenues is found on the Reimbursement budget page.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity except for the change page which follows and changes detailed under Regional Treatment Centers Systemwide.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : STATE RESIDENTIAL FACILITIES
BUDGET ACTIVITY : SECURITY HOSPITAL

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	6,805	7,433	7,540	1,806	9,346	8,379	7,540	1,806	9,346	9,328
EXPENSES/CONTRACTUAL SRVCS	0	0	0	13	13	13	0	0	0	0
MISC OPERATING EXPENSES	0	0	0	39	39	39	0	9	9	9
SUPPLIES/MATERIALS/PARTS	5	49	49	3	52	52	49	3	52	52
CAPITAL EQUIPMENT	0	0	0	6	6	6	0	0	0	0
TOTAL EXPENDITURES	6,810	7,482	7,589	1,867	9,456	8,489	7,589	1,818	9,407	9,389
CHANGE REQUESTS: FUND										
B IMPROVE SERVICES AT MSH				1,867		900		1,818		1,800
TOTAL CHANGE REQUESTS				1,867		900		1,818		1,800
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	6,804	7,425	7,532	1,867	9,399	8,432	7,532	1,818	9,350	9,332
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	0	40	40	0	40	40	40	0	40	40
GIFTS AND DEPOSITS	6	17	17	0	17	17	17	0	17	17
TOTAL FINANCING	6,810	7,482	7,589	1,867	9,456	8,489	7,589	1,818	9,407	9,389
POSITIONS BY FUND:										
GENERAL	215.0	222.0	222.0	57.0	279.0	279.0	222.0	57.0	279.0	279.0
TOTAL POSITIONS	215.0	222.0	222.0	57.0	279.0	279.0	222.0	57.0	279.0	279.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MINNESOTA SECURITY HOSPITAL
 PROGRAM: STATE RESIDENTIAL FACILITIES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: IMPROVE SERVICES AT MSH

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$1,867	57.0	\$1,818	57.0

Governor's Recommendation

General Fund	\$ 900	57.0	\$1,800	57.0
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Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds and positions to improve the services and level of care provided at the Minnesota Security Hospital. Additional positions, would provide adequate staffing to meet the demands created by the volatile patients served at the Minnesota Security Hospital. This request supports the department's initiative for Regional Treatment Center Quality Improvement.

DESCRIPTION/BACKGROUND: Patients at the Minnesota Security Hospital are volatile, often in crisis, and suffering from significant psychiatric/psychological problems. Frequently there is extensive legal involvement. There is a high degree of physical aggression within this patient population.

Joint Commission on Accreditation of Health Care Organizations (JCAHO) and the Health Care Financing Administration (HCFA) require that psychiatric staff be sufficient in number and quality to assume responsibility for and provide the psychiatric services needed by the patient. Also required are sufficient numbers of qualified registered nurses on duty to give patients mandated nursing care.

Facilities that have successfully passed accreditation by JCAHO and HCFA have a psychiatrist/patient ratio of approximately 1:40 and a nurse/patient ratio of approximately 1:5.

Minnesota Security Hospital has a critical shortage of psychiatrists and registered nurses needed to provide active psychiatric treatment to patients. Current psychiatrist/patient ratio is 1:148 and the current nurse/patient ratio is 1:14.

Security counselors are needed to provide a safe environment including protection of patients and staff. Security counselors provide patient supervision in the unit and escort patient to therapies, clinics and activities. They also assist patients with activities of daily living.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Average Daily Population-Total	223	225	225	225
Admissions Total	260	265	265	265
Forensic Evaluation	135	140	140	140
Psychiatric Treatment	107	107	107	107
Hold Order	18	18	18	18
Discharges Total	255	263	263	263
Adjudicated Offenders				
Average length of Stay (Days)				
Hold Orders	48.6	45	40	35
Evaluation	31.1	30	30	30
Treatment	453.0	450	450	450
Percentage of Readmissions	32.3%	31%	30%	30%

RATIONALE: JCAHO and HCFA describe the responsibilities of the psychiatrist as "the overall management of patients under his or her care". This includes pre-admission assessment, psychiatric evaluation and ongoing individualized treatment planning. Extensive Jarvis-related documentation and court appearances are also necessary. Jarvis v. Levine requires a court hearing prior to the forced administration of neuroleptic medication to committed patients. Minnesota Security Hospital currently employs 1.6 psychiatrists which is a ratio of 1:148, not sufficient to meet the required care. Three additional psychiatrists are needed to achieve the requested ratio of 1:52.

JCAHO and HCFA require active treatment including professional assessments, treatment plans, nursing care plans, patient education, infection control, active delivery of care, discharge plans and documentation. Registered nurses are responsible for these elements of care. Minnesota Security Hospital currently employs 17.5 RN's, divided among 3 shifts, 9 units and 236 patients. This is a 1:14 ratio and is insufficient to meet the required care. 16:5 additional nurses are needed to achieve the requested ratio of 1:6.

JCAHO and HCFA do not address the issue of security counselors. Security counselors are needed in sufficient number to provide a stable unit environment and assist with the aggressive patient. The assignment of two security counselors per unit per shift will provide these services. If there are insufficient numbers of security counselors, then active treatment staff must be used. This will reduce the amount of time spent in the delivery of active treatment. A total of 37.5 additional security counselors is requested.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 7,425	\$ 8,271	\$ 8,271	\$ 8,271

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 1,818	\$ 1,818

GOVERNOR'S RECOMMENDATION: The Governor recommends the funding as requested except for a biennial reduction of \$985,000. This will provide for a phasing-in of the new positions in F.Y. 1990.

ACTIVITY: WILLMAR REGIONAL TREATMENT CENTER
 Program: STATE RESIDENTIAL FACILITIES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

To provide active treatment consistent with industry standards and state and federal regulations for persons with mental illness, developmental disabilities, or chemical dependency. The objective is to complement program alternatives in the service area by assisting individuals, in the least restrictive setting and shortest length of stay possible, to make documented progress toward personal habilitative or rehabilitative goals which are necessary for their successful reintegration into normal community life.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Mental Illness				
Average length of stay (days)*	129.3	129	120	115
Percent readmissions	14.87%	15%	15%	15%
Percent readmissions within 6 months	14.2%	10%	7%	7%
Developmental Disabilities				
Percent of residents placed	11.7%	10%	10%	10%
Percent in continued placement 3 mos. after placement	99%	98%	98%	98%
1 year after placement	98%	98%	98%	98%
Chemical Dependency				
Average length of stay (days)	37.1	32	32	32
Clients completing treatment	35	32	30	30
Primary treatment	31	28	28	28
Extended treatment	110	101	90	90
Percent readmissions	11.96%	11%	11%	11%
Percent readmissions within 6 months	11.32%	11%	10%	10%
Percent client completing treatment	57.5%	59%	62%	62%

Willmar Regional Treatment Center (WRTC) provides specialty health services including treatment, rehabilitation, and developmental services based on established needs for consumers primarily of Southwestern Minnesota. WRTC serves as the primary public agency in providing inpatient services to

* This length of stay is skewed by the longer stays of geriatric, adolescent, and adult psychiatric rehabilitation clients. The average length of stay on the Adult Psychiatric Admission Unit is 63 days.

ACTIVITY DESCRIPTION:

Clients who need assistance in dealing with problems associated with mental illness, chemical dependency, or developmental disabilities. Specialized programs which serve all counties in Minnesota include: (1) adolescent treatment, (2) a protective component unit for adolescents, and (3) methadone withdrawal.

ACCOMPLISHMENTS AND GOALS:

The 1987-89 biennium was characterized by the theme of "Setting the Pace" both in the past and in the future. 1987 marked the 75th anniversary of the facility and called for recollections of the major historical impact the regional treatment center has had in such developments as the Minnesota model of chemical dependency treatment, the open door policy, and humane practices. Resting on laurels, however, was not part of the picture during the biennium as the facility met or exceeded certification and licensure in all program areas and disability groups. In addition, WRTC faced its first survey by the Health Care Financing Administration (HCFA). The facility responded by achieving a "perfect" rating during the resurvey process in the evaluation of the quality of services.

Clinical services continue to be enhanced by the addition of a full-time psychiatrist as Medical Director and successful recruitment of 2 additional psychiatrists, a revised clinical treatment process, a clinical record audit system, enhanced quality assurance plans throughout the organization, and improved and more intensive staffing including the planned expansion of professional clinical services beyond the traditional Monday through Friday emphasis.

The 1990-91 biennium goals will be directed toward continuing emphasis on program effectiveness, efficiency, diversification, meeting regional consumer needs, more and better integration of services within the region, and a refined strategic planning process as WRTC moves forward in its development as a highly skilled specialty regional health center. Significant organizational changes and adjustments will be solidified to become more streamlined, intensive and specialized to meet changing and challenging clientele needs. The quality assurance activities will be redoubled and systematized to ensure the most effective use of limited resources. Treatment and training programs will even more reflect the need for rapid re-entry into vocational and community settings. Community relationships will receive more attention through public education, public relations, increased use of volunteers and shared responsibilities and resources with other public and private agencies. Finally, the facility's long range planning process will continue to be developed and refined to meet new definitions of role and mission and to remain responsive to the rapidly changing philosophies and trends of the specialty health field.

ACTIVITY STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Average Daily Population-Total	442	422	412	397
Mentally Ill	264	275	275	270
Developmentally Disabled	90	77	67	57
Chemically Dependent	48	30	30	30
Adolescents	40	40	40	40
Admissions-Total	1,065	1,000	990	990
Mentally Ill	497	505	495	495
Developmentally Disabled	14	9	9	9
Chemically Dependent	460	392	392	392
Adolescents	94	94	94	94
Discharges-Total	1,100	996	998	998
Mentally Ill	481	490	495	495
Developmentally Disabled	31	22	19	19
Chemically Dependent	496	392	392	392
Adolescents	92	92	92	92

ACTIVITY: WILLMAR REGIONAL TREATMENT CENTER 1990-91 Biennial Budget
(Continuation)
Program: STATE RESIDENTIAL FACILITIES
Agency: HUMAN SERVICES, DEPARTMENT OF

REVENUE:

Expenditures for this activity are included in rates calculated for the regional treatment centers (RTC). RTC revenues are collected by the Reimbursement Division and are dedicated to the medical assistance account by statute. Detail on RTC revenues is found on the Reimbursement Division budget page.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity except for the changes detailed under Regional Treatment Centers Systemwide.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : STATE RESIDENTIAL FACILITIES
BUDGET ACTIVITY : WILLMAR RTC

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	19,570	19,566	20,530	0	20,530	20,530	20,530	0	20,530	20,530
EXPENSES/CONTRACTUAL SRVCS	554	714	762	0	762	762	637	0	637	637
MISC OPERATING EXPENSES	789	821	807	0	807	807	807	0	807	807
SUPPLIES/MATERIALS/PARTS	1,575	1,562	1,531	0	1,531	1,531	1,580	0	1,580	1,580
CAPITAL EQUIPMENT	157	42	109	0	109	109	13	0	13	13
REDISTRIBUTIONS	377	544	544	0	544	544	544	0	544	544
STATE OPERATIONS	23,022	23,249	24,283	0	24,283	24,283	24,111	0	24,111	24,111
AIDS TO INDIVIDUALS	6	9	9	0	9	9	9	0	9	9
TOTAL EXPENDITURES	23,028	23,258	24,292	0	24,292	24,292	24,120	0	24,120	24,120
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	21,097	20,462	22,134	0	22,134	22,134	21,962	0	21,962	21,962
STATUTORY APPROPRIATIONS:										
GENERAL	1	3	3	0	3	3	3	0	3	3
FEDERAL	64	46	46	0	46	46	46	0	46	46
AGENCY	730	756	756	0	756	756	756	0	756	756
ENTERPRISE	1,136	1,991	1,353	0	1,353	1,353	1,353	0	1,353	1,353
TOTAL FINANCING	23,028	23,258	24,292	0	24,292	24,292	24,120	0	24,120	24,120
POSITIONS BY FUND:										
GENERAL	573.7	601.8	601.8	0.0	601.8	601.8	601.8	0.0	601.8	601.8
FEDERAL	1.0	1.0	1.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0
ENTERPRISE	48.9	48.9	23.0	0.0	23.0	23.0	23.0	0.0	23.0	23.0
TOTAL POSITIONS	623.6	651.7	625.8	0.0	625.8	625.8	625.8	0.0	625.8	625.8

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : STATE RESIDENTIAL FACILITIES
BUDGET ACTIVITY : ROCHESTER STATE HOSPITAL

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991				
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
DETAIL BY CATEGORY:											
STATE OPERATIONS:											
PERSONAL SERVICES	112	104	104	0	104	104	104	0	104	104	
TOTAL EXPENDITURES	112	104	104	0	104	104	104	0	104	104	
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	112	104	104	0	104	104	104	0	104	104	
TOTAL FINANCING	112	104	104	0	104	104	104	0	104	104	
POSITIONS BY FUND:											
TOTAL POSITIONS											

ACTIVITY: STATE NURSING HOMES SYSTEMWIDE 1990-91 Biennial Budget
 Program: STATE RESIDENTIAL FACILITIES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

ACTIVITY OBJECTIVE:

To provide nursing care and active treatment consistent with industry standards and state and federal regulations for elderly persons who have complex medical conditions and challenging behaviors. The objective is to complement program alternatives in the service area by assisting individuals to make documented progress toward personal habilitative or rehabilitative goals which are necessary to facilitate their return to less restrictive settings.

ACTIVITY DESCRIPTION:

This budget activity is an aggregation of the budget activities for the state-operated nursing homes:

Ah-Gwah-Ching Nursing Home (AGCNH)
 Oak Terrace Nursing Home (OTNH)

The 2 state-operated nursing homes (SNHs) established in 1962 (M.S., sec. 251.011), are licensed and certified to provide long-term care for geriatric patients. In addition, AGCNH provides chemical dependency treatment for long-term, chronic alcoholics.

The distinctive function of SNHs is to specialize in the care and treatment of elderly individuals when their behavior prevents admission or retention in alternative community settings. The treatment staff at both SNHs have specialized training in the therapeutic management of behavioral problems which range from socially unacceptable behavior to severe assaultive and self-injurious behavior.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Average Daily Population-Total	538	544	544	549
Skilled Nursing	382	409	409	409
Intermediate Care	133	111	111	116
Chemical Dependency (AGCNH)	23	24	24	24
Admissions				
Geriatric	59	75	72	75
Chemical Dependency (AGCNH)	71	97	98	99
Discharges				
Geriatric	61	50	50	50
Chemical Dependency (AGCNH)	76	104	105	106

REVENUE:

Expenditures for this activity are included in rates calculated for state nursing homes. State nursing home revenues are dedicated to the Medical Assistance account by statute. Detail on state nursing home revenues is found on the Reimbursement Division budget page.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity except for the change requests detailed on the following pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : STATE RESIDENTIAL FACILITIES
BUDGET ACTIVITY : SNH SYSTEMWIDE

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
EXPENSES/CONTRACTUAL SRVCS	0	0	0	6	6	6	0	6	6	6
MISC OPERATING EXPENSES	0	0	0	72	72	0	0	72	72	0
SUPPLIES/MATERIALS/PARTS	0	0	0	634	634	634	0	660	660	660
TOTAL EXPENDITURES	0	0	0	712	712	640	0	738	738	666
CHANGE REQUESTS: FUND										
B ENHANCED NUTR. CONTENT MEALS & MENU GEN VAR.				35		35		61		61
B IMPLEMENT UNIVERSAL PRECAUTION INFECTION GEN				175		175		175		175
B DISPOSABLE BRIEFS-INCONTINENT PATIENTS GEN				430		430		430		430
B FUNDING FOR SALES TAX & REGULATORY FEES GEN				72		0		72		0
TOTAL CHANGE REQUESTS				712		640		738		666
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	0	0	0	712	712	640	0	738	738	666
TOTAL FINANCING	0	0	0	712	712	640	0	738	738	666
POSITIONS BY FUND:										
TOTAL POSITIONS										

CHANGE REQUEST 1990-91 Biennial Budget
 _____ Agency _____ Program X Activity

ACTIVITY: STATE NURSING HOMES SYSTEMWIDE
 PROGRAM: STATE RESIDENTIAL FACILITIES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: ENHANCED NUTRITIONAL CONTENT OF MEALS AND INCREASED MENU VARIETY

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 35	-0-	\$ 61	-0-
General Fund (MA Grants) *	(\$ 32)		(\$ 32)	

Governor's Recommendation

General Fund	\$ 35	-0-	\$ 61	-0-
General Fund (MA Grants) *	(\$ 32)		(\$ 32)	

Request requires statutory change: _____ Yes X No

Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to comply with expanded Health Department nutritional requirements and improve food menu variety. This request supports the department's initiative for Regional Center Quality Improvement.

DESCRIPTION/BACKGROUND:

Currently, the daily raw food cost allowance for the regional treatment centers and state-operated nursing homes is \$2.59 per resident plus 5 cents for snacks. As of 9-30-87, comparable raw food costs for other nursing homes and intermediate care facility/mentally retarded (ICF/MR's) were as follows:

	<u>Nursing Homes</u>	<u>ICF/MR's</u>
75th Percentile	\$3.02 per day	\$4.56 per day
90th Percentile	\$3.34 per day	\$5.27 per day

The residential facilities' menus have been cited by the Minnesota Department of Health for failure to meet nutritional requirements and lack of variety. The health department has recently adopted more stringent requirements for nutritional content of various food groups. Prescriptive use of expensive nutritional supplements has increased substantially. These pressures on the daily raw food allotment have resulted in reduction of menu variety to control costs. To meet these needs, the department believes the allowance for raw food should be increased to a level which is comparable with other care providers. Therefore, the department is requesting additional funding to increase the daily food allowance to \$3.35 per day for F.Y. 1990, equivalent to the 90th percentile for community nursing homes, and \$3.45 per day for F.Y. 1991. In addition, the department is requesting the allowance

for snacks be increased to 10 cents per day.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Effect on Collection*	\$ -0-	\$ -0-	\$ 32	\$ 32

RATIONALE:

Residents are entitled to a living environment which is conducive to treatment. The dietary function is an essential part of the living environment, and an increase in the daily allowance for raw food is necessary to provide more variety in menu selections and improve nutrition.

*This change request shows the impact on Medical Assistance (MA) payments and collection income for cost of care. In accordance with M.S., sec. 246.18, all receipts from collection efforts for regional treatment centers and state nursing homes must be deposited in the MA account and are appropriated for that purpose. As a result, MA costs decrease when collection income increases, and MA costs increase when collection income decreases.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 483	\$ 651	\$ 651	\$ 651

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 61	\$ 61

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: STATE NURSING HOMES SYSTEMWIDE
 PROGRAM: STATE RESIDENTIAL FACILITIES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: IMPLEMENTATION OF UNIVERSAL PRECAUTIONS FOR INFECTION CONTROL

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 175	-0-	\$ 175	-0-
General Fund (MA Grants)*	(122)		(114)	
Governor's Recommendation				
General Fund	\$ 175	-0-	\$ 175	-0-
General Fund (MA Grants)*	(122)		(114)	

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests an increase in funding to purchase essential equipment and supplies to fully implement infection control procedures established by the U.S. Department of Health and Human Services, Center for Disease Control. This request supports the department's initiative for Regional Treatment Center Quality Improvement.

DESCRIPTION/BACKGROUND:

Since medical history and examination cannot reliably identify all clients infected by Human Immunodeficiency virus (HIV) or other bloodborne pathogens, procedures must be implemented to safeguard clients and health workers against the spread of infection. The Center for Disease Control has established universal precautions for infection control intended to prevent the spread of bloodborne pathogens and protect infected persons from the acquisition of other infections. Purchase and replacement of gloves, gowns, eye protection equipment, laundry bags, and related items are required to fully implement the recommended universal precautions.

STATISTICS:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Effect on Collections *	\$ -0-	\$ -0-	\$ 122	\$ 114

RATIONALE:

This request is made to implement the U.S. Department of Health and Human Services Center for Disease Control's recommended infection control procedures and to comply with Occupational Safety and Health Agency (OSHA) regulations for health care employees whose functions could result in contact with blood and body substances.

* The change request shows the impact on Medical Assistance (MA) payments and collection income for cost of care. In accordance with M.S., sec. 246.18, all receipts from collection efforts for regional treatment centers and state nursing homes must be deposited in the MA account and are appropriated for that purpose. As a result, MA costs decrease when collection income increases and MA costs increase when collection income decreases.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 136	\$ 140	\$ 140	\$ 140

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 175	\$ 175

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: STATE NURSING HOMES SYSTEMWIDE
 PROGRAM: STATE RESIDENTIAL FACILITIES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: DISPOSABLE BRIEFS FOR INCONTINENT PATIENTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 430	-0-	\$ 430	-0-
General Fund	(61)	(1.5)	(61)	(1.5)
General Fund (MA Grants)*	(330)		(330)	
Governor's Recommendation				
General Fund	\$ 430	-0-	\$ 430	-0-
General Fund	(61)	(1.5)	(61)	(1.5)
General Fund (MA Grants)*	(330)		(330)	

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to improve both the quality of care and quality of life by switching from cloth diapers to disposable briefs for incontinent individuals. This request supports the department's initiative for Regional Treatment Center (RTC) Quality Improvement.

DESCRIPTION/BACKGROUND:

In F.Y. 1988, the Cambridge Regional Human Services Center conducted a study to determine the advantages of disposable briefs versus cloth diapers for incontinent individuals. The study findings indicate that disposable briefs improve the quality of life for residents in the following ways:

1. improvement in skin conditions;
2. reduction in odors associated with incontinence;
3. reduction of wet linens and personal clothing;
4. greater staff time for direct patient care; and
5. reduction of urine puddles which relate to sanitation and safety concerns for residents and staff alike.

The 2 state-operated nursing homes collectively use an estimated 966,000 cloth diapers per year which results in approximately 397,000 pounds of soiled laundry processed at a cost of approximately \$61,000 per year. The projected cost of purchasing disposable briefs is \$424,000 per year plus an additional \$6,000 for refuse/landfill costs. Laundry savings of \$61,000 leave an incremental cost of approximately \$369,000 per year.

As a part of the "Regional Treatment Centers Systemwide" budget activity, the department is also requesting funds for disposable briefs for incontinent individuals in the RTCs. The combined reduction in regional laundry costs and

positions would be as follows:

Regional Laundry	Savings	Position Reductions
Brainerd	\$38,000	1
Cambridge	40,000	1
Faribault	140,000	4
St. Peter	9,000	-0-
Willmar	3,000	-0-
	** \$230,000	** 6

** \$169,000 and 4.5 positions are applicable to laundry savings for the RTCs.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Effect on Collections *	\$ -0-	\$ -0-	\$ 330	\$ 330

RATIONALE:

After food and shelter, the most basic human care needs are health and comfort. Disposable briefs enhance both the quality of care (i.e., skin dryness and cleanliness) and quality of life (i.e., comfort and odor reduction).

* The change request shows the impact on Medical Assistance (MA) payments and collection income for cost of care. In accordance with M.S., sec. 246.18, all receipts from collection efforts for the regional treatment centers and state nursing homes must be deposited in the MA account and are appropriated for that purpose. As a result, MA costs decrease when collection income increases, and MA costs increase when collection income decreases.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 15	\$ 15	\$ 15	\$ 15

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 430	\$ 430

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: STATE NURSING HOMES SYSTEMWIDE
 PROGRAM: STATE RESIDENTIAL FACILITIES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

REQUEST TITLE: FUNDING FOR SALES TAX PAYMENTS AND REGULATORY FEES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 72	-0-	\$ 72	-0-
General Fund (MA Grants)*	(65)		(65)	

Governor's Recommendation

General Fund	\$ -0-	-0-	\$ -0-	-0-
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Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds for state nursing homes to pay for statewide telecommunication costs, sales tax, employee background checks, and fees levied by various regulatory authorities for license review.

DESCRIPTION/BACKGROUND:

In recent years, decisions have been made to charge state nursing homes for sales tax on certain goods and services as well as charge back and user fees. However, these costs have not been matched by a corresponding increase in funding to pay new charges. As a result, the base funding for repairs, maintenance, printing, communication, travel, supplies and materials, have eroded to a point where the capacity to provide for essential operating and program requirements has been reduced.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Effect on Collections *	\$ -0-	\$ -0-	\$ 65	\$ 65

RATIONALE:

To assure active treatment for all patients it is necessary to provide adequate numbers of appropriately trained and qualified staff. In addition, adequate funding is required to purchase goods and services which are the tools for creating and maintaining an environment conducive to active treatment.

* This change request shows the impact on Medical Assistance (MA) payments and collection income for cost of care. In accordance with M.S., sec. 246.18, all receipts from collection efforts for regional treatment centers and state nursing homes must be deposited in the MA account and are appropriated for that purpose. As a result, MA costs decrease when collection income increases, and MA costs increase when collection income decreases.

(Dollars in Thousands)

BASE:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 505	\$ 536	\$ 536	\$ 536

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)	
	F.Y. 1992	F.Y. 1993
General Fund Expenditures	\$ 72	\$ 72

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request.

ACTIVITY: AH-GWAH-CHING NURSING HOME
 Program: STATE RESIDENTIAL FACILITIES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

To provide nursing care and active treatment consistent with industry standards and state and federal regulations for elderly persons with complex medical conditions and challenging behaviors, and chemically dependent persons who are chronic alcoholics. The objective is to complement program alternatives in the service area by assisting individuals to make documented progress toward personal habilitative or rehabilitative goals which are necessary to facilitate their return to less restrictive community settings.

EFFECTIVENESS MEASURES: F.Y. 1988 F.Y. 1989 F.Y. 1990 F.Y. 1991

<u>Geriatric:</u>				
Number of Admissions:	43	45	47	50
% from Regional Treatment Centers	35%	35%	40%	40%
% from Other Nursing Home	21%	25%	25%	25%
% from Home	2%	2%	2%	2%
% from Veterans Administration	28%	25%	25%	25%
% from Other	14%	13%	7%	7%
Number of Discharges:	19	20	20	20
% to Regional Treatment Centers	5%	5%	5%	5%
% to Other Nursing Home	37%	40%	40%	40%
% to Home	26%	20%	20%	20%
% to Veterans Administration	21%	25%	25%	25%
% to Other	11%	10%	10%	10%
<u>Chemical Dependency</u>				
Average Length of Stay	120	122	123	124
% of Clients Completing Treatment	46%	46%	48%	48%

ACTIVITY DESCRIPTION:

Ah-Gwah-Ching Nursing Home (AGCNH) is a 383 bed multi-purpose facility with 179 skilled beds, 164 intermediate beds, and 40 Rule 35 chemical dependency beds providing services for the geriatric population and the chronic chemically dependent population of the entire state. The behavior problems which clients show include physical and verbal assaultiveness, sexually inappropriate behavior, socially inappropriate behavior, and chronic alcoholism. The services provided include behavior management, rehabilitation, nursing home care for the elderly client and treatment for the chronic, long-term chemically dependent client.

ACCOMPLISHMENTS AND GOALS:

AGCNH has made changes to improve the physical environment of residents. These changes include the addition of 3 dayrooms in the E Building and the elimination of all 4-bed rooms. The Life Enrichment Activities Program (LEAP) continues to expand and the Hall Pravillon Program provides residents with a wider variety of programs. Finally all standards established the licesning and certifying agencies have been met or exceeded.

The 1990-91 biennium are to: (1) enhance staff training and development and

continue expansion and refinement of resident programs; and (2) provide effective treatment services to the chronic chemically dependent client in an economically viable manner under the consolidated chemical dependency treatment fund mechanism.

ACTIVITY STATISTICS: F.Y. 1988 F.Y. 1989 F.Y. 1990 F.Y. 1991

<u>Geriatric:</u>				
Average resident age	78	79	80	80
Average daily population	239	255	260	265
<u>Chemical Dependency</u>				
Average resident age	57	58	58	58
Average daily population	23	24	24	24

REVENUE:

Expenditures for this activity are included in rates calculated for state nursing homes. State nursing home revenues are dedicated to the Medical Assistance account by statute. Detail on state nursing home revenues is found on the Reimbursement Division budget page.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity except for changes detailed under State Nursing Homes Systemwide.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : STATE RESIDENTIAL FACILITIES
BUDGET ACTIVITY : AH-GNAH-CHING NURSING HOME

EXPENDITURES:	F.Y. 1990					F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST		GOVERNOR'S RECOMM.	AGENCY REQUEST		GOVERNOR'S RECOMM.		
			BASE	CHANGE		BASE	CHANGE			
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	9,122	9,341	9,909	0	9,909	9,909	9,909	0	9,909	9,909
EXPENSES/CONTRACTUAL SRVCS	302	271	307	0	307	307	232	0	232	232
MISC OPERATING EXPENSES	367	414	411	0	411	411	411	0	411	411
SUPPLIES/MATERIALS/PARTS	702	921	913	0	913	913	926	0	926	926
CAPITAL EQUIPMENT	65	43	53	0	53	53	17	0	17	17
REDISTRIBUTIONS	108	156	156	0	156	156	156	0	156	156
TOTAL EXPENDITURES	10,666	11,146	11,749	0	11,749	11,749	11,651	0	11,651	11,651
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	10,046	10,294	10,889	0	10,889	10,889	10,791	0	10,791	10,791
STATUTORY APPROPRIATIONS:										
GENERAL	40	61	61	0	61	61	61	0	61	61
FEDERAL	60	5	5	0	5	5	5	0	5	5
AGENCY	231	250	250	0	250	250	250	0	250	250
GIFTS AND DEPOSITS	4	6	6	0	6	6	6	0	6	6
ENTERPRISE	285	530	538	0	538	538	538	0	538	538
TOTAL FINANCING	10,666	11,146	11,749	0	11,749	11,749	11,651	0	11,651	11,651
POSITIONS BY FUND:										
GENERAL	305.0	305.0	305.0	0.0	305.0	305.0	305.0	0.0	305.0	305.0
ENTERPRISE	11.0	11.0	11.0	0.0	11.0	11.0	11.0	0.0	11.0	11.0
TOTAL POSITIONS	316.0	316.0	316.0	0.0	316.0	316.0	316.0	0.0	316.0	316.0

ACTIVITY: OAK TERRACE NURSING HOME
 Program: STATE RESIDENTIAL FACILITIES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

1990-91 Biennial Budget

ACTIVITY OBJECTIVE:

To provide nursing care and active treatment consistent with industry standards and state and federal regulations for elderly persons, with complex medical conditions and challenging behaviors, and chemically dependent persons who are chronic alcoholics. The objective is to complement program alternatives in the service area by assisting individuals to make documented progress toward personal habilitative or rehabilitative goals which are necessary to facilitate their return to less restrictive community settings.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Admissions from:				
% Regional Treatment Center	-0-	5%	5%	5%
% Nursing Homes	69%	70%	72%	75%
% Hospitals	19%	15%	15%	15%
% Other	12%	10%	8%	5%
Discharges to:				
% Regional Treatment Center	7%	5%	4%	3%
% Nursing Homes	34%	35%	36%	37%
% Hospitals	7%	5%	5%	5%
% Expired	52%	55%	55%	55%

ACTIVITY DESCRIPTION:

Oak Terrace Nursing Home (OTNH) is a 350 bed skilled nursing facility located in Minnetonka and established in 1962. It is licensed by the Minnesota Department of Health, certified as a Medicare and Medicaid provider, and accredited by the Joint Commission on Accreditation of Health Care Organizations.

Oak Terrace provides skilled nursing care and mental health services to elderly persons who have behavioral disabilities and complex medical conditions. The majority of persons have had unsuccessful prior placements in community nursing homes. Services are provided within a protective, yet least restrictive environment, and serve to prevent or delay admission to acute care facilities.

ACCOMPLISHMENTS AND GOALS:

During 1987-89, this facility reduced census to increase staff/resident ratios, identified unit admission criteria to maximize staffing and facilitate service delivery, and reorganized staff to increase licensed staff coverage. Services have also been strengthened in the nursing department by improving nursing supervision.

Two major organizational changes have occurred. First the establishment of a unit structure, and second, the establishment of a more traditional nursing home structure which reflects and supports OTNH's status as a skilled nursing facility (SNF) providing services to a patient population with special behavioral/medical needs. Policies addressing patient safety and other issues unique to this population have also been implemented.

Goals for the 1990-91 Biennium include:

Complete the compliance component in the facility Quality Assurance program to ensure protection of licensure, certification, and accreditation, to meet the standards of care, and to improve service delivery.

Review and strengthen medical, pharmacy, and physical therapy services.

Utilize financial and human resources within a quality/cost effective framework to improve services delivered to the patient and the environment in which services are provided.

Work actively to promote Oak Terrace programs which enhance and integrate appropriately into the overall Regional Treatment Center/State Nursing Home System.

Support the concept of resident dignity and individual rights by introducing and reinforcing changes in the attitudinal climate and the physical environment.

ACTIVITY STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Average Resident Age	72	72	73	73
Average Daily Population	275	265	260	260

REVENUE:

Expenditures for this activity are included in rates calculated for state nursing homes. State nursing home revenues are dedicated to the Medical Assistance account by statute. Detail on state nursing home revenues is found on the Reimbursement Division budget page.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this activity except for the changes detailed under State Nursing Homes Systemwide.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : STATE RESIDENTIAL FACILITIES
BUDGET ACTIVITY : OAK TERRACE NURSING HOME

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	8,665	8,808	9,143	<728>	8,415	8,415	9,143	<2,428>	6,715	6,715
EXPENSES/CONTRACTUAL SRVCS	281	395	329	0	329	329	253	0	253	253
MISC OPERATING EXPENSES	363	425	425	<5>	420	420	425	<15>	410	410
SUPPLIES/MATERIALS/PARTS	901	1,052	1,094	<59>	1,035	1,035	1,105	<182>	923	923
CAPITAL EQUIPMENT	25	59	42	<4>	38	38	6	<12>	<6>	<6>
TOTAL EXPENDITURES	10,235	10,739	11,033	<796>	10,237	10,237	10,932	<2,637>	8,295	8,295
CHANGE REQUESTS:										
B RTC NEG - OAK TERRACE REDUCTION				<11>		<11>		<32>		<32>
B RTC NEG - OAK TERRACE REDUCTION				<16>		<16>		<49>		<49>
B RTC NEG - OAK TERRACE REDUCTION				<7>		<7>		<21>		<21>
B RTC NEG - OAK TERRACE REDUCTION				<4>		<4>		<12>		<12>
B RTC NEG - OAK TERRACE REDUCTION				<15>		<15>		<44>		<44>
B RTC NEG - OAK TERRACE REDUCTION				<15>		<15>		<51>		<51>
B RTC NEG - OAK TERRACE REDUCTION				<400>		<400>		<1,335>		<1,335>
B RTC NEG - OAK TERRACE REDUCTION				<328>		<328>		<1,093>		<1,093>
TOTAL CHANGE REQUESTS				<796>		<796>		<2,637>		<2,637>
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	9,931	10,387	10,712	<796>	9,916	9,916	10,611	<2,637>	7,974	7,974
STATUTORY APPROPRIATIONS:										
GENERAL	39	62	31	0	31	31	31	0	31	31
AGENCY	250	290	290	0	290	290	290	0	290	290
GIFTS AND DEPOSITS	14	0	0	0	0	0	0	0	0	0
ENDOWMENT	1	0	0	0	0	0	0	0	0	0
TOTAL FINANCING	10,235	10,739	11,033	<796>	10,237	10,237	10,932	<2,637>	8,295	8,295

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMAN SERVICES, DPT
PROGRAM : STATE RESIDENTIAL FACILITIES
BUDGET ACTIVITY : OAK TERRACE NURSING HOME

SOURCES OF FINANCING:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
GENERAL	300.5	300.5	300.5	<70.0>	230.5	230.5	300.5	<140.0>	160.5	160.5
TOTAL POSITIONS	300.5	300.5	300.5	<70.0>	230.5	230.5	300.5	<140.0>	160.5	160.5

AGENCY PURPOSE:

The Office of the Ombudsman for Mental Health and Mental Retardation is an independent state agency created by Minnesota Statute 245.91. The Ombudsman serves a variety of purposes:

- 1) receives and investigates complaints from any source concerning the actions of an agency or facility that provides programs or treatment to clients who are mentally ill, mentally retarded, chemically dependent, and emotionally disturbed;
- 2) mediates or advocates on behalf of the client to resolve a complaint;
- 3) makes recommendations to agencies or facilities to resolve a complaint or to improve services or programs;
- 4) reviews the causes and circumstances of a serious injury or death of a client;
- 5) does quality assurance monitoring of the services and programs being provided clients; and
- 6) reports to the Governor and provides information to the legislature as requested.

OBJECTIVE:

To promote the highest attainable standards of treatment, competence, efficiency, and justice for people receiving care or treatment for mental illness, mental retardation, chemical dependency, or emotional disturbance.

<u>EFFECTIVENESS MEASURES:</u>	<u>Actual F.Y. 1988</u>	<u>Estimated F.Y. 1989</u>	<u>Obj./Est. F.Y. 1990</u>	<u>Obj./Est. F.Y. 1991</u>
Number of complaints investigated:	2,209	2,520	3,108	3,780
Percentage of complaints the source is satisfied with the outcome:	73.7%	75.0%	77.0%	80.0%

<u>ACTIVITY STATISTICS:</u>	<u>Actual F.Y. 1988</u>	<u>Estimated F.Y. 1989</u>	<u>Obj./Est. F.Y. 1990</u>	<u>Obj./Est. F.Y. 1991</u>
Total Contacts:	2,626	3,000	3,700	4,500
Number of Abuse/Neglect Reports:	194	224	275	335
Number of Deaths Reviewed:	38	84	150	150
Number of Serious Injuries Reviewed:	0	48	300	300
Number of Community Facilities Visited:	72	660	192	192

OPERATION AND CLIENTELE:

The agency operates on a regional level with staff located throughout the state who are situated in each of the regional treatment centers. Complaint investigation, monitoring of services and programs, and the review of serious injuries and deaths of clients are major activities of the agency. Following review of deaths and serious injuries, the Ombudsman, in consultation with the statutorily-created Medical Review Subcommittee, may make specific recommendations to facilities and agencies. Complaint investigations include intake; evaluation of the complaint; contact with clients, facility/agency staff, relatives, and other pertinent parties; and resolution of the complaint, either through mediation or policy recommendation from the Ombudsman.

ATTORNEY GENERAL COSTS: None.

EXPLANATION OF BUDGET REQUEST:

CHANGE request includes a \$134,000 expenditure for 2.0 additional full time regional staff to fulfill the 1988 legislative amendments (Chapter No. 543) to the Office of the Ombudsman. These amendments expand the definition of client to include persons in programs and services for the mentally ill, mentally retarded, chemically dependent, or emotionally disturbed.

<u>INDEX</u>	<u>(Dollars in Thousands)</u>		<u>Page</u>
	<u>Agency Request 1990-91 Biennium</u>	<u>Governor's Recommendation 1990-91 Biennium</u>	
	<u>All Funds</u>	<u>All Funds</u>	
BASE Level Request	\$ 1,642	\$ 1,642	
Agency-wide CHANGE Requests Regional Staff	134	-0-	3
Subtotal	1,776	1,642	
Program/Budget Activity CHANGE Requests			
Subtotal			
CHANGE Requests Subtotal	\$ 134	\$ -0-	
AGENCY Total	\$ 1,776	\$ 1,642	

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : OMBDSMN FOR MH & MR
PROGRAM : OMBUD MENTAL HEALTH/RETARD
BUDGET ACTIVITY : OMBUD MENTAL HEALTH/RETARD

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	425	623	634	67	701	634	634	67	701	634
EXPENSES/CONTRACTUAL SRVCS	11	135	135	0	135	135	135	0	135	135
MISC OPERATING EXPENSES	14	34	34	0	34	34	34	0	34	34
SUPPLIES/MATERIALS/PARTS	5	5	5	0	5	5	5	0	5	5
CAPITAL EQUIPMENT	9	13	13	0	13	13	13	0	13	13
TOTAL EXPENDITURES	464	810	821	67	888	821	821	67	888	821
CHANGE REQUESTS: FUND										
A REGIONAL STAFF				67		0		67		0
TOTAL CHANGE REQUESTS				67		0		67		0
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	464	810	821	67	888	821	821	67	888	821
TOTAL FINANCING	464	810	821	67	888	821	821	67	888	821
POSITIONS BY FUND:										
GENERAL	13.0	16.0	16.0	2.0	18.0	16.0	16.0	2.0	18.0	16.0
TOTAL POSITIONS	13.0	16.0	16.0	2.0	18.0	16.0	16.0	2.0	18.0	16.0

CHANGE REQUEST X Agency Program Activity 1990-91 Biennial Budget

ACTIVITY: OMBUDSMAN FOR MENTAL HEALTH AND MENTAL RETARDATION
 PROGRAM: OMBUDSMAN FOR MENTAL HEALTH AND MENTAL RETARDATION
 AGENCY: OMBUDSMAN FOR MENTAL HEALTH AND MENTAL RETARDATION

REQUEST TITLE: REGIONAL STAFF

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 67	2.0	\$ 67	2.0

Governor's Recommendation

General Fund	\$ -0-	-0-	\$ -0-	-0-
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Request requires statutory change: Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests funding to provide for an additional 2.0 full-time positions. These positions will enable the agency to fulfill its legislative mandate to promote the highest standards of care and treatment, competence, efficiency and justice in the mental health and mental retardation system.

DESCRIPTION/BACKGROUND:

During the 1988 legislative session, amendments to the Ombudsman legislation expanded the definition of client to include persons in programs and services for the mentally ill, mentally retarded, chemically dependent, or emotionally disturbed. This change in definition increases the number of clients to be served. In addition, the Ombudsman now has responsibility for monitoring functions to insure quality services.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number of Contacts:	2,626	3,000	3,700	4,500
Number of Abuse/Neglect Reports:	194	224	275	335
Number of Deaths Reviewed:	38	84	150	150
Serious Injuries Reviewed:	-0-	48	300	300
Number of Community Facilities Visited:	72	660	192	192

RATIONALE:

With the additional staff positions requested, the 5 county metro area, which has a high concentration of facilities and clients, can be more effectively serviced, and those regions outside the 5 county metro area will

receive back-up assistance.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 464	\$ 810	\$ 821	\$ 821
General Fund Positions	13	16	16	16

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 67	\$ 67	\$ 134
General Fund Positions	2.0	2.0	2.0

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding. However, the Governor's recommendation for the Department of Human Services CHANGE request "RTC negotiations: Office of the Ombudsman for Mental Health and Mental Retardation" provides 4.0 positions and \$308,000 for the biennium.

1990 - 91 BIENNIAL BUDGET

PROGRAM STRUCTURE

AGENCY: VETERANS AFFAIRS -- NURSING HOMES

<u>PROGRAMS</u>	<u>ACTIVITY</u>	<u>SECTION</u>	<u>PAGE</u>
MINNESOTA VETERANS HOMES-----	Minnesota Veterans Home -- Minneapolis	3	7
	Minnesota Veterans Home -- Hastings		14
	Minnesota Veterans Home -- Silver Bay		21
VETERANS HOME BOARD-----	Veterans Home Board		25
DEDICATED ACCOUNTS-----	Trust Accounts		28
BUILDING RENTAL-----	Dedicated Receipts		31

AGENCY PURPOSE:

This section contains the request of the Minnesota Veterans Homes and the Veterans Home Board. Because of the establishment of the board as an independent management entity and the new emphasis on health care services, this request is presented along with human resource agency budget requests. Other portions of the Department of Veterans Affairs budget request can be found in the State Departments budget document.

INDEX	(Dollars in Thousands)		Page
	Agency Request	Governor's	
	1990-91 Biennium	1990-91 Biennium	
	All Funds	All Funds	
BASE Level Request	\$ 35,714	\$ 35,714	
Program/Budget Activity			
CHANGE Requests			
Minnesota Veterans Home			
Geriatric Research			
and Training Mission	50	50	6
Minnesota Veterans Home - Minneapolis			
New Positions	4,870	4,870	9
Current Expense Increases	820	820	11
Special Equipment	1,133	1,133	12
Repairs and Replacements	785	785	13
Subtotal	7,608	7,608	
Minnesota Veterans Home - Hastings			
New Positions	1,242	1,242	16
Current Expense Increases	72	72	18
Special Equipment	211	211	19
Repairs and Replacements	214	214	20
Subtotal	1,739	1,739	
Minnesota Veterans Home - Silver Bay			
Silver Bay Veterans Home	9,703	5,000	23
Veterans Home Board			
Administrative & Info. Officer	116	116	27
CHANGE Requests Subtotal	\$ 19,216	\$ 14,513	
AGENCY Total	\$ 54,930	\$ 50,227	

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : VET AFFRS-NURS HOMES

PROGRAM EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
VETERANS HOMES	13,871	16,879	16,404	10,061	26,465	22,457	16,404	9,039	25,443	24,748
VETERANS HOME BOARD	7	125	127	58	185	185	127	58	185	185
DEDICATED ACCOUNTS	1,057	1,116	1,116	0	1,116	1,116	1,116	0	1,116	1,116
BUILDING RENTAL	285	210	210	0	210	210	210	0	210	210
TOTAL EXPENDITURES	15,220	18,330	17,857	10,119	27,976	23,968	17,857	9,097	26,954	26,259
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	7	125	16,531	10,119	26,650	22,642	16,531	9,097	25,628	24,933
SP REV DIRECT APPROP	13,871	16,879	0	0	0	0	0	0	0	0
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	285	210	210	0	210	210	210	0	210	210
AGENCY	901	971	971	0	971	971	971	0	971	971
GIFTS AND DEPOSITS	156	145	145	0	145	145	145	0	145	145
TOTAL FINANCING	15,220	18,330	17,857	10,119	27,976	23,968	17,857	9,097	26,954	26,259
POSITIONS BY FUND:										
GENERAL	0.0	2.0	457.5	257.5	715.0	615.0	457.5	257.5	715.0	713.0
SP REV DIRECT APPROP	425.5	455.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL POSITIONS	425.5	457.5	457.5	257.5	715.0	615.0	457.5	257.5	715.0	713.0

PROGRAM: MINNESOTA VETERANS HOMES
Agency: VETERANS AFFAIRS, DEPARTMENT OF

1990-91 Biennial Budget

PROGRAM PURPOSE:

To provide high quality health care services to veterans and spouses from the State of Minnesota at the Veterans Homes at Minneapolis and Hastings and the proposed Silver Bay Home. The responsibility of the newly created board is to coordinate the total range of services provided to veterans at these facilities.

OPERATION:

The Minnesota Veterans Home at Minneapolis is a 540 bed facility with 346 nursing beds and 194 board and care (domiciliary) beds, which provides these services to veterans from throughout the entire state. The Minnesota Veterans Home at Hastings has 200 board and care (domiciliary) beds. The proposed Silver Bay Home will provide 89 nursing beds for the 1990/1991 biennium. It is anticipated that the Silver Bay Home will incorporate 44 domiciliary beds in future bienniums.

BUDGET ISSUE:

The board will concentrate on the following 3 issues:

1. continue to make improvements in the area of quality care at the Minneapolis and Hastings Veterans Homes and to ensure that the Silver Bay facility has adequate resources to operate at the level required by state standards;
2. make requests to the legislature in the area of program enhancement and building needs for the homes. This will be in addition to the funding for employees and building needs which were appropriated by the 1988 Legislature to correct deficiencies at the homes;
3. develop a long-range plan for health care services for Minnesota veterans and their spouses.

EXPLANATION OF BUDGET REQUEST:

Within the past year, several new programs have begun at the Minnesota Veterans Homes to assure quality care. More qualified professional direct care staff have been recruited and several new categories of personnel have been approved to begin major changes in the way care is developed. New positions include a heavy commitment to rehabilitation care, psychological services, and a request to add substantially more direct care staff to assure good supervision and attention to resident needs in every detail. In addition to direct Minnesota Veterans Home staff, this proposal includes a request to increase contract services so that staff skill levels are maintained and updated so that quality patient care is provided. Major programs have also begun in the areas of quality assurance. A request has been submitted for a new initiative for the facility at Silver Bay which will eventually provide both skilled and domiciliary care for the veterans in that part of the state.

In summary, with 2 facilities and a developing 3rd facility in the state, the needs of Minnesota veterans will be served in a variety of ways and will insure a quality care system is provided which will be one of the best in the country.

Because of past deficiencies and increasing level of care needs, levels of resident staffing ratios for direct care personnel need to be increased to provide for the care and services for those needing more intensive care.

Given the fact that several of the buildings on the Minnesota Veterans Home campus are more than 100 years old and many of the vehicles are more than 10 years old, veterans' needs encompassed many types of custodial care. Now the facility must not only provide for this level of care, but must also balance the needs of older veterans with traditional illnesses against the unique health care needs of younger veterans. Clinical studies will be done to reflect the increasing need for psychosocial care and for the development of various services and research which will make the Minnesota Veterans Homes a model for health care well into the future.

GOVERNOR'S RECOMMENDATION:

The Governor recommends a BASE of \$32,808,000 and a biennial increase of \$14,397,000 for the F.Y. 1990-91 budget. Pursuant to M.S. 198.34, funding for this program will be shifted from Special Revenue Direct Appropriations to the General Fund in F.Y. 1990. The program generates non-dedicated receipts to the General Fund as detailed on the following budget activity pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : VET AFFRS-NURS HOMES
PROGRAM : VETERANS HOMES

ACTIVITY EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
VETS HOME-MPLS	11,564	14,384	13,861	4,256	18,117	18,117	13,861	3,402	17,263	17,263
P GERIATRIC RESEARCH & TEACHING MISSION GEN				25		25		25		25
B NEW POSITIONS VETERANS HOME - MPLS GEN				2,435		2,435		2,435		2,435
B CURRENT EXPENSE INCREASES GEN				410		410		410		410
B SPECIAL EQUIPMENT - VETERANS HOME - MPLS GEN				973		973		160		160
B REPAIRS & REPLACEMENTS MVH-MPLS GEN				413		413		372		372
VETS HOME-HASTINGS	2,307	2,495	2,543	966	3,509	3,509	2,543	773	3,316	3,316
B NEW POSITIONS - VETERANS HOME - HASTINGS GEN				621		621		621		621
B CURRENT EXPENSE INCREASE - MVH HASTINGS GEN				37		37		35		35
B SPECIAL EQUIPMENT - MVH HASTINGS GEN				156		156		55		55
B REPAIRS & REPLACEMENTS - MVH HASTINGS GEN				152		152		62		62
VETS HOME - SILVER BAY	0	0	0	4,839	4,839	831	0	4,864	4,864	4,169
B MINNESOTA VETERANS HOME - SILVER BAY GEN				4,839		831		4,864		4,169
TOTAL EXPENDITURES	13,871	16,879	16,404	10,061	26,465	22,457	16,404	9,039	25,443	24,748
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	0	0	16,404	10,061	26,465	22,457	16,404	9,039	25,443	24,748
SP REV DIRECT APPROP	13,871	16,879	0	0	0	0	0	0	0	0
TOTAL FINANCING	13,871	16,879	16,404	10,061	26,465	22,457	16,404	9,039	25,443	24,748
POSITIONS BY FUND:										
GENERAL	0.0	0.0	455.5	256.5	712.0	612.0	455.5	256.5	712.0	710.0
SP REV DIRECT APPROP	425.5	455.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL POSITIONS	425.5	455.5	455.5	256.5	712.0	612.0	455.5	256.5	712.0	710.0

CHANGE REQUEST _____ Agency X Program _____ Activity 1990-91 Biennial Budget

ACTIVITY:

PROGRAM: MINNESOTA VETERANS HOMES
 AGENCY: VETERANS AFFAIRS, DEPARTMENT OF

REQUEST TITLE: GERIATRIC RESEARCH AND TEACHING MISSION

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
General Fund	\$ 25	-0-	\$ 25	-0-
Governor's Recommendation				
General Fund	\$ 25	-0-	\$ 25	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The Veterans Homes request funding of a Geriatric Research and Teaching Mission for the homes. Funds will be expended for consultant contracts, stipends to student interns, professional and technical services, and staff education.

DESCRIPTION/BACKGROUND:

As part of the reorganization effort, the board has been directed by the legislature (Laws of 1988, Ch. 699, Sec. 17) to develop a Geriatric Research and Teaching Mission for the Veterans Homes. This mission is to be conducted in cooperation with the VA Medical Center system and other allied health care institutions.

RATIONALE:

Staff of the Minnesota Veterans Homes have begun to establish linkages and agreements with many fine health care facilities for the purpose of sharing ideas, thoughts and talents relating to the aging process and the clinical need of older citizens.

The Adult Day Care program on the Minneapolis campus is one of the 4 such model programs in the country operated by the VA Medical Center Geriatric Research Education Clinical Center (GRECC). The facility's medical director has begun a collaborative study with the VA's GRECC program on the use of Haldol, and one of the facility's assistant administrators has already begun to provide administrative support to the University of Minnesota's graduate nursing program.

At this time, the Minnesota Veterans Homes are considering entering into agreements with several larger health care facilities and universities in the area to keep students to have placement in such areas and fields as

health administration, pharmacy, nursing, recreational therapy, psychology, chemical dependency counseling, and social services, through internships offered through and by the State of Minnesota.

These new initiatives are important not only because they are mandated by Laws of 1988, Ch. 699, Sec. 17 and suggested by the Blue Ribbon Commission, but also because it is an important component in assuring viable future delivery of quality medical care for the state and its veterans' community.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 25	\$ 25	\$ 50

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

ACTIVITY: MINNESOTA VETERANS HOME - MINNEAPOLIS 1990-91 Biennial Budget
Program: MINNESOTA VETERANS HOMES
Agency: VETERANS AFFAIRS, DEPARTMENT OF

PURPOSE:

It's the mission as well as the inherent responsibility of the Minnesota Veterans Homes to assure a "maximum quality of life" for residents of the Minnesota Veterans Homes.

The care provided will ensure that each resident has a structured environment and an individualized program within which he can function or be assisted to function at his highest level of physical, social, and mental ability; solicit participation from each resident in structuring his care; and encourage the independence of each resident. Such care will be rendered in a professional and considerate manner providing for the comfort and recognizing the human dignity of each individual.

<u>EFFECTIVENESS MEASURES:</u>	<u>Actual F.Y. 1988</u>	<u>Act/Est F.Y. 1989</u>	<u>Estimate F.Y. 1990</u>	<u>Estimate F.Y. 1991</u>
NUMBER OF ADMISSIONS	121	96	110	110
From VA	25	24	28	28
From Nursing Homes	47	55	63	63
From Veterans Home	40	15	17	17
Other	9	2	2	2

<u>STATISTICS:</u>	<u>Actual F.Y. 1988</u>	<u>Act/Est F.Y. 1989</u>	<u>Estimate F.Y. 1990</u>	<u>Estimate F.Y. 1991</u>
Average Resident Age:				
Nursing	73	73	73	74
Domiciliary	55	56	56	56
Average Daily Population:				
Nursing	319	345	345	345
Domiciliary	149	165	165	189

REVENUE:

This activity generates non-dedicated revenue.

<u>Receipts for Minneapolis Veterans Home</u>	<u>(Dollars in Thousands)</u>	
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
VA Per Diem	\$ 2,061	\$ 3,000
Private Pay	4,199	4,052
Total	\$ 6,260	\$ 7,052

The board has adopted 3 basic criteria for managing the Homes under its jurisdiction.

1. Quality Patient Care. As the 1988 Legislation mandated using the case/mix ratio to determine levels of patient care, it is important to increase the resources available to the Minneapolis Veterans Home to ensure quality care for residents. Our veterans are aging and are presenting increasing level of care needs which require a corresponding increase in direct care staff time to address those needs. One of the goals of the

Minneapolis Veterans Home is to provide a high quality level of long-term care to our residents. To accomplish this goal, we must have the numbers and types of direct care staff requested.

2. Physical Plant. With the 1987 and 1988 Physical Plant citations/recommendations received by the home from the Department of Health and VA, it is critical to increase levels of maintenance and preventive maintenance on the physical plant of the Minneapolis Veterans Home.
3. Management Support. The Legislative Auditor has recommended changes in administrative procedures. To properly address these recommended changes, the home needs additional staff resources to not only correct the changes recommended by the Legislative Auditor, but to prevent future problems in these areas. In addition to the Legislative Audit recommendations, the VA is requesting that additional support staff be provided to increase our communications with the VA Hospital.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : VET AFFRS-NURS HOMES
PROGRAM : VETERANS HOMES
BUDGET ACTIVITY : VETS HOME-MPLS

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	8,988	11,376	11,688	2,435	14,123	14,123	11,688	2,435	14,123	14,123
EXPENSES/CONTRACTUAL SRVCS	877	1,164	739	559	1,298	1,298	739	520	1,259	1,259
MISC OPERATING EXPENSES	217	264	264	133	397	397	264	125	389	389
SUPPLIES/MATERIALS/PARTS	1,374	1,120	1,120	156	1,276	1,276	1,120	162	1,282	1,282
CAPITAL EQUIPMENT	108	460	50	973	1,023	1,023	50	160	210	210
TOTAL EXPENDITURES	11,564	14,384	13,861	4,256	18,117	18,117	13,861	3,402	17,263	17,263
CHANGE REQUESTS: FUND										
P GERIATRIC RESEARCH & TEACHING MISSION				25		25		25		25
B NEW POSITIONS VETERANS HOME - MPLS				2,435		2,435		2,435		2,435
B CURRENT EXPENSE INCREASES				410		410		410		410
B SPECIAL EQUIPMENT - VETERANS HOME - MPLS				973		973		160		160
B REPAIRS & REPLACEMENTS MVH-MPLS				413		413		372		372
TOTAL CHANGE REQUESTS				4,256		4,256		3,402		3,402
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	0	0	13,861	4,256	18,117	18,117	13,861	3,402	17,263	17,263
SP REV DIRECT APPROP	11,564	14,384	0	0	0	0	0	0	0	0
TOTAL FINANCING	11,564	14,384	13,861	4,256	18,117	18,117	13,861	3,402	17,263	17,263
POSITIONS BY FUND:										
GENERAL	0.0	0.0	396.5	92.0	488.5	488.5	396.5	92.0	488.5	488.5
SP REV DIRECT APPROP	368.5	396.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL POSITIONS	368.5	396.5	396.5	92.0	488.5	488.5	396.5	92.0	488.5	488.5

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MINNESOTA VETERANS HOME - MINNEAPOLIS
 PROGRAM: MINNESOTA VETERANS HOMES
 AGENCY: VETERANS AFFAIRS, DEPARTMENT OF

REQUEST TITLE: NEW POSITIONS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$2,435	92.0	\$2,435	92.0
Governor's Recommendation				
General Fund	\$2,435	92.0	\$2,435	92.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests biennial funding of \$4,870,000 for 92.0 new positions at the Minneapolis Veterans Home. These positions are necessary to continue progress toward meeting the mandated standards of the Department of Health, VA, and the Legislative Auditor's Office.

DESCRIPTION/BACKGROUND:

The Laws of 1988, Ch. 699, Sec. 6, created a board for the Minnesota Veterans Homes. The board has established the following goals for the operation of the homes, to provide:

1. quality patient care;
2. maintenance and protection of physical plant;
3. efficient management support systems.

1. In order to meet State of Minnesota and Veterans Administration standards for quality patient care, the following staff are requested:

	Positions	(Dollars in Thousands)	
		F.Y. 1990	F.Y. 1991
Direct Care:			
Registered Nurse	12.0	\$ 399	\$ 399
License Practical Nurse	5.0	133	133
Human Services Technician (HST)	19.0	381	381
Rehabilitation Services:			
Occupational Therapist	1.0	29	29
Physical Therapist	2.0	59	59
Recreational Therapist	3.0	86	86
Speech Pathologist Clinician	.5	17	17
Patient Escort/HST Sr.	1.0	23	23
Psychological Services:			
Instit. Psych. Services Director	1.0	43	43

(Continued)

	Positions	(Dollars in Thousands)	
		F.Y. 1990	F.Y. 1991
Research Analyst Sr.	1.0	36	36
Behavior Therapist	2.0	53	53
Behavior Therapist Specialist	2.0	60	60
Social Services:			
Social Worker	2.0	46	46
Pharmacy:			
Pharmacist	1.5	50	50
Pharmacy Technician	1.0	22	22
Food Services:			
Food Service Worker	4.0	83	83
Housekeeping:			
General Maintenance Worker	6.5	130	130
Sub-Total Requested	64.5	\$ 1,650	\$ 1,650

2. To provide maintenance and protection of physical plant, the following positions are requested:

	Positions	(Dollars in Thousands)	
		F.Y. 1990	F.Y. 1991
Maintenance:			
Steam Fitter	1.0	\$ 33	\$ 33
Plant Maintenance Engineer	2.0	66	66
Power Plant Assistant Chief Engineer	1.0	35	35
Van Driver	1.0	23	23
Mechanic	1.0	32	32
Sub-Total Requested	6.0	\$ 189	\$ 189

3. To provide efficient management support systems, the following positions are requested:

	Positions	(Dollars in Thousands)	
		F.Y. 1990	F.Y. 1991
Management Support:			
EDP Programmer	1.0	\$ 28	\$ 28
Clerk Typist 2	4.0	89	89
Switchboard Operator	3.0	63	63
Clerk Typist 3	3.5	83	83
Administrative Secretary	1.0	25	25
Data Entry Operator	2.0	44	44
Personnel Aide	1.0	24	24
Registered Nurse Sr. (Inst.)	1.0	31	31
Internal Auditor Sr.	1.0	30	30
Internal Auditor	1.0	25	25
Accounting Technician	2.0	52	52
Buyers Assistant	1.0	23	23
Sub-Total Requested	21.5	\$ 517	\$ 517
Insurance Adjustment		\$ 79	\$ 79

TOTAL REQUESTED 92.0 \$ 2,435 \$ 2,435

RATIONALE:

1. The majority of the increased staffing requests lies in the direct care area. Increased staffing is needed to provide mandated levels of direct resident care. Increased staffing is also needed to meet the rehabilitative needs of residents, in the areas of occupational therapy, physical therapy, speech pathology and psychological services.

CHANGE REQUEST 1990-91 Biennial Budget
 _____ Agency _____ Program X Activity
 (Continuation)

ACTIVITY: MINNESOTA VETERANS HOME - MINNEAPOLIS
 PROGRAM: MINNESOTA VETERANS HOMES
 AGENCY: VETERANS AFFAIRS, DEPARTMENT OF

Food service and housekeeping staff are needed to provide extra support in the evenings and weekends. These areas will also prove to be very cost-effective as the need for overtime in these areas will be lessened.

2. Maintenance positions are requested primarily to provide center with quality, cost-effective approaches to maintaining the facility's physical plant and many service areas. In terms of the steamfitter, engineer and mechanic, it would be cost-effective to have these facility staff on campus rather than expending funds to contract and provide the services from outside the facility. A driver would supply needed support to the ever-increasing need of residents and for the transportation needs of goods and services between campuses.
3. Though some progress has been made in the areas at the Minnesota Veterans Home that relates to the provision of direct care services, work needs to be done in the area of administrative/financial support systems. Support in this area was recommended by the Blue Ribbon Commission, the Legislative Auditor and the Department of Human Services. Qualified staff and resources are needed in this area for the following reasons:
 - a. Internal Auditing. This is an important function recommended by the Legislative Auditor and the Blue Ribbon Commission.
 - b. Centralized purchasing. Now that the facilities are constructing a centralized warehouse, additional staff are needed to provide good purchasing services and control for 3 facilities.
 - c. Increased data processing is needed to support increased computerization and enhanced capabilities of an integrated management information system.
 - d. Additional clerical and support staff are needed to provide support and assistance for several new professional positions.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

BASE:	(Dollars in Thousands)			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General Fund Expenditures	\$ 8,136	\$ 10,480	\$ 10,480	\$ 10,480
Non-Dedicated Receipts	6,260	7,052	7,052	7,052

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Total</u>
General Fund Expenditures	\$ 2,435	\$ 2,435	\$ 4,870
Non-Dedicated Receipts	1,648	1,648	3,296

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MINNESOTA VETERANS HOME - MINNEAPOLIS
 PROGRAM: MINNESOTA VETERANS HOMES
 AGENCY: VETERANS AFFAIRS, DEPARTMENT OF

REQUEST TITLE: CURRENT EXPENSE INCREASES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 410	-0-	\$ 410	-0-
Governor's Recommendation				
General Fund	\$ 410	-0-	\$ 410	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests biennial funding of \$820,000 for needed current expense items for the Minneapolis Veterans Home. The requested current expense funding is necessary for the continued efficient operation of the home according to the goals adopted by the board:

1. to provide quality patient care;
2. to provide adequate maintenance and protection of physical plant;
3. to provide efficient management support systems.

DESCRIPTION/BACKGROUND:

The following items have been identified as critical current expense needs for the effective operation of the Minneapolis Veterans Home.

	(Dollars in Thousands)					
	Patient Care		Maintenance		Management Support	
	F.Y.1990	F.Y.1991	F.Y.1990	F.Y.1991	F.Y.1990	F.Y.1991
Advertising/Staff	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 35	\$ 35
Printing	-0-	-0-	-0-	-0-	2	2
Prof/Tech Serv.	5	5	23	25	2	2
Purchased Serv.	8	8	2	2	46	46
Communications	-0-	-0-	-0-	-0-	3	3
Travel	2	2	-0-	-0-	21	21
Utility Services	-0-	-0-	100	100	-0-	-0-
Dues	-0-	-0-	-0-	-0-	5	5
Supplies	<u>77</u>	<u>77</u>	<u>30</u>	<u>30</u>	<u>49</u>	<u>49</u>
Sub-Total	\$ 92	\$ 92	\$ 155	\$ 155	\$ 163	\$ 163

RATIONALE:

The home has been cited for various deficiencies by the State Department of Health, VA, and the Legislative Auditor's Office. A review of the home's operation by the board has identified the above listed areas where additional resources are necessary to effectively continue the home's progress towards meeting the mandated standards required to provide quality care, physical plant protection, and management support.

1. Many of the items listed above are for the services for the recruitment of professional staff. This includes paid classified advertising and the development of recruitment brochures and information guides which will be used for the recruitment of professional personnel, i.e. nurses. Recruitment efforts will be coordinated in collaboration with other agencies.
2. To provide expanded services not commonly provided by Minneapolis Veterans Home staff which include chiropractic care, dental care, podiatry care and the services of various specialized consultants which are designed to facilitate a comprehensive approach to resident care.
3. Dues include membership in various professional organizations such as the National Association of Veterans Homes and the Minnesota Association of Homes for the Aging.
4. The Minneapolis Veterans Home will no longer be on the favorable interruptible power rate from Northern States Power Company. Therefore, the home will need additional funding for utility services for this rate increase of \$100,000 a year if energy rates remain at the present level. The alternative, according to NSP, is to increase the capacity of our present emergency generator. We cannot increase the capacity unless the building housing the generator is enlarged and a new generator is purchased. As this alternative is not available to us at this time, we request the additional funding necessary to pay for the higher rate.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 2,605	\$ 2,976	\$ 2,976	\$ 2,976

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 410	\$ 410	\$ 820

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MINNESOTA VETERANS HOME - MINNEAPOLIS
 PROGRAM: MINNESOTA VETERANS HOMES
 AGENCY: VETERANS AFFAIRS, DEPARTMENT OF

REQUEST TITLE: SPECIAL EQUIPMENT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 973	-0-	\$ 160	-0-
Governor's Recommendation				
General Fund	\$ 973	-0-	\$ 160	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests biennial funding of \$1,133,000 for needed special equipment items for the Minneapolis Veterans Home. These items will enable the homes to continue progress towards correcting many operational deficiencies identified by the Department of Health, Veterans Administration, and Legislative Audit.

DESCRIPTION/BACKGROUND:

The following items have been identified as critical special equipment needs to improve the effective operation of the Minneapolis Veterans Home.

	(Dollars in Thousands)					
	Patient Care		Maintenance		Management Support	
	F.Y.1990	F.Y.1991	F.Y.1990	F.Y.1991	F.Y.1990	F.Y.1991
Resident Furniture	\$ 208	\$ 52	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Medical Furniture	310	20	-0-	-0-	-0-	-0-
Office Furniture	15	2	-0-	-0-	36	1
Info. Systems	57	13	-0-	-0-	85	24
Motor Vehicles	35	-0-	164	32	-0-	-0-
Hsekeeping/Grounds	-0-	-0-	63	16	-0-	-0-
Sub-Total	\$ 625	\$ 87	\$ 227	\$ 48	\$ 121	\$ 25

RATIONALE:

The above request is based upon the following rationale:

1. To meet Department of Health and Veterans Administration regulations.
2. Change of image includes the purchasing of equipment and services which

matches and provides a uniform approach. In the case of some facility vehicles to replace rusted-out vans and buses which are needed to provide important security and transportation services for residents.

3. Worker's compensation claims by staff will be reduced by providing state of the art, self-contained patient bathing systems which minimize the use of portable lifts to transfer residents to and from the bath. Other items in this category include substantially upgrading the facility's therapy department and services.
4. The medical records department and the facility's overall management information system will be thoroughly integrated into a central information system which will be used to support direct and indirect care services. This will prove to be a labor-saving device and will have a substantial impact on patient care planning, scheduling and the efficient use of the facility's resources.
5. To upgrade the quality of equipment that the Home operates with to avoid the costly and excessive repairs in addition to loss of time currently experienced because of the poor condition of much of the Home's equipment.
6. The need for specific adaptive equipment, such as geri-chairs and cardiac chairs, as well as equipment used for residents and general patient furniture such as dressers, overbed tables and furniture for domiciliary services.

Because many of the present plant services are very labor-intensive, this request is to provide cost-effective new equipment, particularly in the power plant areas, and in terms of providing better transportation services. This request, along with the manpower increase, will result in better performance of staff and better quality of life for residents.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 113	\$ 50	\$ 45	\$ 45

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 160	\$ 160	\$ 320

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MINNESOTA VETERANS HOME - MINNEAPOLIS
 PROGRAM: MINNESOTA VETERANS HOMES
 AGENCY: VETERANS AFFAIRS, DEPARTMENT OF

REQUEST TITLE: REPAIRS AND REPLACEMENTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 413	-0-	\$ 372	-0-
Governor's Recommendation				
General Fund	\$ 413	-0-	\$ 372	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests an increase in biennial funding of \$785,000 for repairs and replacements of the Minneapolis Veterans Home. It is necessary for the home to continue providing adequate maintenance and protection for the physical plant.

DESCRIPTION/BACKGROUND:

Improvements are needed in the following buildings in order for the home to continue progress toward meeting the Department of Health, VA, and State Fire Marshall regulations, and to protect the physical plant integrity of the Minneapolis campus.

	Construction Date	Dollars in Thousands	
		F.Y. 1990	F.Y. 1991
Building 6 (Domiciliary)	1905	\$ 173	\$ 200
Building 9 (Domiciliary)	1936	-0-	30
Building 14A (Garage)	1937	5	-0-
Building 15 (Recreation)	1958	33	-0-
Building 16 (Skilled Nursing Care)	1973	-0-	15
Building 17 (Skilled Nursing Care)	1980	82	35
Power House		75	-0-
Bridge Lighting		-0-	50
Re-key Campus Locks		45	-0-
Campus Lighting		\$ -0-	\$ 42
TOTAL		\$ 413	\$ 372

RATIONALE:

The above request is based upon the following reasons:

1. to meet Department of Health and Veterans Administration regulations;
2. to create and maintain a more positive campus image;
3. to reduce potential injuries to residents and staff;

4. to upgrade the quality of physical plant of the home, and to avoid the costly and excessive repairs plus loss of time we are currently experiencing because of the poor condition of much of our physical plant.

In the past, repairs and replacement resources have been limited; consequently, the physical plant has suffered. One of the goals of the board is to upgrade the campus physical plant condition so that visitors, staff and residents will perceive the Minneapolis Veterans Home as a positive quality living environment.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 369	\$ 958	\$ 123	\$ 123

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 372	\$ 372	\$ 744

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

ACTIVITY: MINNESOTA VETERANS HOME - HASTINGS 1990-91 Biennial Budget
 Program: MINNESOTA VETERANS HOMES
 Agency: VETERANS AFFAIRS, DEPARTMENT OF

PURPOSE:

To provide quality, cost-effective health care to 200 domiciliary (board and care) residents. The majority of these residents have physical health problems, mental health issues or chemical dependency issues; often individual residents will have more than one of these diagnoses. These issues require residency in a structured environment. Additionally, a number of veterans enter the Hastings facility for after-care, following treatment, and prior to their return to their homes.

The program is designed to provide domiciliary care to those veterans who are unable to live independently or who are in need of supportive medical care at a level lower than that found in a nursing care situation. The home has operated at greater than 95% of capacity during F.Y. 1987.

Currently, the Home delivers services to 3 categories of veterans:

1. the aged veterans with medical problems which interfere with their ability to live independently or which present a strain to the support services they receive in their homes;
2. the chemically dependent veterans who have completed a treatment program and need short-term supportive care and counseling environment; and
3. the chronically mentally ill veterans who require supportive medical care and a structured living environment but at a lower level than is offered in the state hospital system.

The home provides full supportive services of professional nursing care, counseling, recreation, social services and therapy. Supportive services are also available from the Veterans Administration Medical Centers, state agencies, and county and community social service agencies.

<u>EFFECTIVENESS MEASURES:</u>	<u>Actual</u> <u>F.Y. 1988</u>	<u>Act/Est.</u> <u>F.Y. 1989</u>	<u>Estimate</u> <u>F.Y. 1990</u>	<u>Estimate</u> <u>F.Y. 1991</u>
Average Daily Census				
For VA Per Diem	127	(1)150	190	190
Number of Admissions	28	50	50	40
From VA	16	30	30	24
Own Home	2	10	10	8
Other	10	10	10	8

<u>STATISTICS:</u>	<u>Actual</u> <u>F.Y. 1988</u>	<u>Act/Est.</u> <u>F.Y. 1989</u>	<u>Estimate</u> <u>F.Y. 1990</u>	<u>Estimate</u> <u>F.Y. 1991</u>
Average Resident Age	64.3	65+	65	65
Average Length of Stay	(2)365	+365	+1 yr	+1.5 yrs

(1) Admissions were suspended September, 1987 through January, 1988. Admission criteria is presently being reviewed.

(2) It is anticipated that the number of residents will rise following development of admission criteria. Due to the increasing average age of Minnesota's veteran population, the average length of stay of residents is projected to increase.

REVENUE:

This activity generates non-dedicated revenue.

<u>Receipts for Minneapolis/Hastings Veterans Homes</u>	<u>(Dollars in Thousands)</u>	
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
VA Per Diem	\$ 398	\$ 528
Private Pay	432	420
Total	\$ 830	\$ 948

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : VET AFFRS-NURS HOMES
PROGRAM : VETERANS HOMES
BUDGET ACTIVITY : VETS HOME-HASTINGS

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	1,643	1,848	1,896	621	2,517	2,517	1,896	621	2,517	2,517
EXPENSES/CONTRACTUAL SRVCS	202	99	99	173	272	272	99	83	182	182
MISC OPERATING EXPENSES	140	121	121	8	129	129	121	8	129	129
SUPPLIES/MATERIALS/PARTS	289	412	412	8	420	420	412	6	418	418
CAPITAL EQUIPMENT	33	15	15	156	171	171	15	55	70	70
TOTAL EXPENDITURES	2,307	2,495	2,543	966	3,509	3,509	2,543	773	3,316	3,316
CHANGE REQUESTS: FUND										
B NEW POSITIONS - VETERANS HOME - HASTINGS GEN				621		621		621		621
B CURRENT EXPENSE INCREASE - MVH HASTINGS GEN				37		37		35		35
B SPECIAL EQUIPMENT - MVH HASTINGS GEN				156		156		55		55
B REPAIRS & REPLACEMENTS - MVH HASTINGS GEN				152		152		62		62
TOTAL CHANGE REQUESTS				966		966		773		773
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	0	0	2,543	966	3,509	3,509	2,543	773	3,316	3,316
SP REV DIRECT APPROP	2,307	2,495	0	0	0	0	0	0	0	0
TOTAL FINANCING	2,307	2,495	2,543	966	3,509	3,509	2,543	773	3,316	3,316
POSITIONS BY FUND:										
GENERAL	0.0	0.0	59.0	22.5	81.5	81.5	59.0	22.5	81.5	81.5
SP REV DIRECT APPROP	57.0	59.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL POSITIONS	57.0	59.0	59.0	22.5	81.5	81.5	59.0	22.5	81.5	81.5

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MINNESOTA VETERANS HOME - HASTINGS
 PROGRAM: MINNESOTA VETERANS HOMES
 AGENCY: VETERANS AFFAIRS, DEPARTMENT OF

REQUEST TITLE: NEW POSITIONS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 621	22.5	\$ 621	22.5
Governor's Recommendation				
General Fund	\$ 621	22.5	\$ 621	22.5

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE: The agency requests biennial funding of \$1,242,000 for 22.5 new positions for the Hastings Veterans Home. These additional positions will allow the home to continue its progress towards meeting the mandated standards of the Department of Health, VA, and the Legislative Auditor's Office.

DESCRIPTION/BACKGROUND: The Laws of 1988, Ch. 699, Sec. 6, created the Board of Directors for the Minnesota Veterans Homes. The board has established the following goals for the operation of the Homes. To provide:

1. quality resident care;
2. maintenance and protection of physical plant;
3. efficient management support systems.

In order to meet these goals, the additional listed below are requested.

1. In order to meet Minnesota and VA standards for quality resident care, the following staff are requested:

Direct Care:	Positions	(Dollars in Thousands)	
		F.Y. 1990	F.Y. 1991
Director of Nurses	1.0	\$ 40	\$ 40
Social Services: Social Worker	1.0	26	26
Chemical Dependency Counselor	1.0	25	25
Rehabilitation Services:			
Recreation Therapist	2.0	52	52
Food Services: Food Service Worker	4.0	84	84
Dietitian I	.5	16	16
Sub-Total Requested	9.5	\$ 243	\$ 243

2. In order to provide maintenance and protection of physical plant, the following staff are requested:

Maintenance:	Positions	(Dollars in Thousands)	
		F.Y. 1990	F.Y. 1991
Electrician	1.0	\$ 33	\$ 33
Painter	1.0	33	33
Plumber	1.0	33	33
Groundskeeper	1.0	21	21
Sub-Total Requested	4.0	\$ 120	\$ 120

3. In order to provide efficient management support systems, the following staff are requested:

Management Support:	Positions	(Dollars in Thousands)	
		F.Y. 1990	F.Y. 1991
Switchboard Operator/Clerk Typist	2.0	\$ 45	\$ 45
Registered Nurse Sr. (Inst.)	1.0	31	31
Stores Clerk	1.0	20	20
Business Manager I	1.0	33	33
Buyers Assistant	1.0	23	23
Security Guard	1.0	21	21
Data Entry Operator	1.0	22	22
Assistant Administrator	1.0	43	43
Sub-Total Requested	9.0	\$ 238	\$ 238

Insurance Adjustment		\$ 20	\$ 20
TOTAL REQUESTED	22.5	\$ 621	\$ 621

RATIONALE: The board has adopted 3 basic criteria for managing the homes under its jurisdiction.

1. Quality Patient Care. With the 1988 Legislation mandating the case/mix ratio for resident care, it has been mandated to increase the staff resource available to the Hastings Veterans Home to ensure quality care for its residents. Nearly half of our current Minnesota veteran population is over age 65 and thus increases the need to provide even higher levels of care. One of the goals of the Hastings Veterans Home is to provide a high quality of care to its residents to accomplish this goal; legislative directives, Blue Ribbon Committee recommendations and various regulatory agencies criteria we must have the numbers and classifications of care staff requested.
2. Physical Plant. With the 1987 and 1988 Physical Plant citations/recommendations received by the Home from the Department of Health and VA, it is critical to increase the maintenance and preventive maintenance on the physical plant of the Hastings Veterans Home.
3. Management Support. The Legislative Auditor has recommended changes in the administrative procedures. To properly address these changes, the home needs additional staff resources to not only correct the changes recommended by the Legislative Auditor but to prevent future problems in these areas. In addition to the Legislative Audit recommendations, the VA is requesting that additional support staff be provided to increase our communications with the Veterans Administration Hospital.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 1,521	\$ 1,645	\$ 1,645	\$ 1,645
Non-Dedicated Receipts	830	948	948	948

CHANGE REQUEST 1990-91 Biennial Budget
____ Agency _____ Program X Activity
(Continuation)

ACTIVITY: MINNESOTA VETERANS HOME - HASTINGS
PROGRAM: MINNESOTA VETERANS HOMES
AGENCY: VETERANS AFFAIRS, DEPARTMENT OF

(Dollars in Thousands)

<u>LONG RANGE IMPLICATIONS:</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Total</u>
General Fund Expenditures	\$ 621	\$ 621	\$ 1,242
Non-Dedicated Receipts	400	400	800

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST

1990-91 Biennial Budget

___ Agency ___ Program X Activity

ACTIVITY: MINNESOTA VETERANS HOME - HASTINGS
 PROGRAM: MINNESOTA VETERANS HOMES
 AGENCY: VETERANS AFFAIRS, DEPARTMENT OF

REQUEST TITLE: CURRENT EXPENSE INCREASE

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
General Fund	\$ 37	-0-	\$ 35	-0-
Governor's Recommendation				
General Fund	\$ 37	-0-	\$ 35	-0-

Request requires statutory change: ___ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests biennial funding for \$72,000 for needed current expense items for the Hastings Veterans Home. The requested current expense funding will enable the home to continue efficient operation of the home according to the goals adopted by the board. To provide:

1. quality resident care;
2. maintenance and protection of physical plant;
3. efficient management support systems.

DESCRIPTION/BACKGROUND:

The following critical current expenses have been identified for the effective operation of the Hastings Veterans Home.

	(Dollars in Thousands)					
	Resident Care		Maintenance		Management Support	
	F.Y.1990	F.Y.1991	F.Y.1990	F.Y.1991	F.Y.1990	F.Y.1991
Printing	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 1	\$ 1
Prof/Tech Services	8	8	1	1	3	3
Purchase Services	8	8	-0-	-0-	-0-	-0-
Communications	-0-	-0-	-0-	-0-	2	2
Travel	-0-	-0-	-0-	-0-	5	5
Dues	-0-	-0-	-0-	-0-	1	1
Supplies	7	5	-0-	-0-	1	1
Sub-Total	\$ 23	\$ 21	\$ 1	\$ 1	\$ 13	\$ 13

RATIONALE:

The home has been cited for various deficiencies by the Department of Health, VA, and the Legislative Auditor's Office. In reviewing the home's operation, the board has identified the above listed areas where additional resources are necessary for the home's continued progress towards meeting the mandated standards required to provide quality resident care, physical plant protection, and management support.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 664	\$ 689	\$ 689	\$ 689

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 35	\$ 35	\$ 70

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MINNESOTA VETERANS HOME - HASTINGS
 PROGRAM: MINNESOTA VETERANS HOMES
 AGENCY: VETERANS AFFAIRS, DEPARTMENT OF

REQUEST TITLE: SPECIAL EQUIPMENT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 156	-0-	\$ 55	-0-
Governor's Recommendation				
General Fund	\$ 156	-0-	\$ 55	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests an increase in biennial funding of \$211,000 for needed special equipment for the Hastings Veterans Home. This equipment will allow the home to continue progress necessary for the home to correct various operational deficiencies identified by the Department of Health, VA, and the Legislative Auditor's Office.

DESCRIPTION/BACKGROUND:

The following equipment has been identified as critical for the effective operation of the Hastings Veterans Home.

	(Dollars in Thousands)					
	Resident Care		Maintenance		Management Support	
	F.Y.1990	F.Y.1991	F.Y.1990	F.Y.1991	F.Y.1990	F.Y.1991
Resident Furniture	\$ 20	\$ 6	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Medical Furniture	11	7	-0-	-0-	-0-	-0-
Office Furniture	8	3	1	-0-	11	4
Information Systems	-0-	-0-	-0-	-0-	14	1
Motor Vehicles	-0-	-0-	59	30	-0-	-0-
Groundskeeping	4	1	28	3	-0-	-0-
Sub-Total	\$ 43	\$ 17	\$ 88	\$ 33	\$ 25	\$ 5

RATIONALE:

This request is based upon the following reasons:

1. to meet Department of Health and VA regulations;
2. to create and maintain a more positive campus image;

3. to reduce worker's compensation claims and injuries to residents;
4. to automate the resident's records, and management support services;
5. to upgrade the quality of equipment that the Home utilizes in daily operations, and to avoid the costly and excessive repairs the home is currently experiencing because of the poor condition of much of its equipment.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 33	\$ 15	\$ 15	\$ 15

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 55	\$ 55	\$ 110

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MINNESOTA VETERANS HOME - HASTINGS
 PROGRAM: MINNESOTA VETERANS HOMES
 AGENCY: VETERANS AFFAIRS, DEPARTMENT OF

REQUEST TITLE: REPAIRS AND REPLACEMENTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 152	-0-	\$ 62	-0-
Governor's Recommendation				
General Fund	\$ 152	-0-	\$ 62	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests an increase in biennial funding of \$214,000 for repairs and replacements for the Hastings Veterans Home. This funding is vital in order for the home to continue providing adequate maintenance to and protection of the home's physical plant.

DESCRIPTION/BACKGROUND:

The following buildings need improvement so that the home can continue its progress towards meeting the Department of Health, VA, and the State Fire Marshall's regulations and to provide continued protection of the physical plant integrity of the Hastings Veterans Home campus.

	Construction Date	Dollars in Thousands	
		F.Y. 1990	F.Y. 1991
Building 20 (Dietary)	1916	\$ 7	\$ 7
Building 23 (Domiciliary)	1916	70	55
Building 25	1919	20	-0-
Replace Doors & Hardware campus-wide		25	-0-
Garage	1959	10	-0-
Upgrade Fire Alarm System		20	-0-
TOTAL		\$ 152	\$ 62

RATIONALE:

This request will enable the Hastings Veterans Home to:

1. meet Department of Health and VA regulations;
2. create and maintain a more positive campus image;
3. reduce the potential for injury to residents and staff; and
4. allow the home to upgrade the quality of the physical plant of the home.

Currently the home is experiencing costly and excessive repairs due to the poor condition of much of the physical plant.

The physical plant has suffered because of the limited resources available in the past for maintenance and upgrades necessary to maintain a campus. One of the goals of the board is to upgrade the physical plant condition of the campus so that visitors, staff and residents will perceive a positive quality living environment for the residents of the Hastings Veterans Home.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 129	\$ 45	\$ 45	\$ 45

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 62	\$ 62	\$ 124

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

ACTIVITY: MINNESOTA VETERANS HOME - SILVER BAY 1990-91 Biennial Budget
Program: MINNESOTA VETERANS HOMES
Agency: VETERANS AFFAIRS, DEPARTMENT OF

PURPOSE:

The mission of the Silver Bay Veterans Nursing Home is to provide quality cost effective health care to 89 nursing residents. A target population of 491,000 veterans whose health care requirements could be typical of those people residing in other nursing homes throughout Minnesota could be eligible for admission.

This home will provide a full range of supportive services of professional nursing care, counseling, recreation, social services and therapy. Additional supportive services would be available from the VA Medical Centers, the VA Outpatient Clinic scheduled to open the fall of 1989 in Superior, Wisconsin, as well as from other governmental and community agencies. Residents would also benefit from recreational and social programs provided by the veterans organizations and their auxiliaries in the area.

BACKGROUND:

The 1988 session of the Minnesota Legislature passed legislation which allowed establishment of a Veterans Nursing Home in Silver Bay, Minnesota. The legislative mandate required the City of Silver Bay to secure funding needed to receive a matching federal grant. The funds secured by the City of Silver Bay were required to be from resources other than state general revenue fund. Once these criteria were met, the Commissioner of Veterans Affairs was instructed to make application for the federal construction grant. Application was filed with the VA and the project placed on the priority listing for construction grants. This application was approved.

REVENUE:

This activity will generate non-dedicated revenue to the general fund. Based on full occupancy and current levels of reimbursement, the state could realize revenue of approximately \$1.8 million. Additionally, construction funds will total approximately \$2.4 million.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : VET AFFRS-NURS HOMES
PROGRAM : VETERANS HOMES
BUDGET ACTIVITY : VETS HOME - SILVER BAY

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	0	0	0	3,707	3,707	508	0	3,707	3,707	3,012
EXPENSES/CONTRACTUAL SRVCS	0	0	0	694	694	200	0	719	719	719
MISC OPERATING EXPENSES	0	0	0	170	170	50	0	170	170	170
SUPPLIES/MATERIALS/PARTS	0	0	0	168	168	47	0	168	168	168
CAPITAL EQUIPMENT	0	0	0	100	100	26	0	100	100	100
TOTAL EXPENDITURES	0	0	0	4,839	4,839	831	0	4,864	4,864	4,169
CHANGE REQUESTS:										
B MINNESOTA VETERANS HOME - SILVER BAY				4,839		831		4,864		4,169
TOTAL CHANGE REQUESTS				4,839		831		4,864		4,169
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	0	0	0	4,839	4,839	831	0	4,864	4,864	4,169
TOTAL FINANCING	0	0	0	4,839	4,839	831	0	4,864	4,864	4,169
POSITIONS BY FUND:										
GENERAL	0.0	0.0	0.0	142.0	142.0	42.0	0.0	142.0	142.0	140.0
TOTAL POSITIONS	0.0	0.0	0.0	142.0	142.0	42.0	0.0	142.0	142.0	140.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MINNESOTA VETERANS HOME - SILVER BAY
 PROGRAM: MINNESOTA VETERANS HOMES
 AGENCY: VETERANS AFFAIRS, DEPARTMENT OF

REQUEST TITLE: SILVER BAY VETERANS HOME

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$4,839	142.0	\$4,864	142.0

Governor's Recommendation

General Fund	\$ 831	42.0	\$4,169	140.0
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Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests funding for the biennium for the proposed Silver Bay Veterans Home. This facility will have 89 nursing beds for F.Y. 1990-91.

DESCRIPTION/BACKGROUND:

Laws of 1988, Ch. 699, directs the state to establish a Veterans Home at Silver Bay if Silver Bay donates the building to the commissioner at no cost, and if the city secures matching monies from sources other than the state general fund. These stipulations have been met. It is anticipated that remodeling will be completed and operations can begin by 7-1-89. This request represents the resources necessary to operate the Silver Bay facility in accordance with State and Veterans Administration regulations and standards.

	Positions	(Dollars in Thousands)	
		F.Y. 1990	F.Y. 1991
DIRECT CARE:			
Director of Nursing	1.0	\$ 40	\$ 40
Registered Nurse Supervisor	6.0	218	218
Registered Nurse	10.0	333	333
Licensed Practical Nurse 1	15.0	380	380
Human Services Technician	41.0	822	822
Veterans Home Program Assistant	6.0	149	149
Medical Records Technician	2.0	52	52
Physical Therapist	1.0	29	29
Occupational Therapist	1.0	29	29
Chemical Dependency Counselor	1.0	25	25
Pharmacist	2.0	67	67
Management Analyst/Schedule Coord.	1.0	26	26
Social Worker Sr.	1.0	29	29
Social Worker	1.0	26	26
Recreational Therapist Sr.	1.0	28	28
Recreational Therapist	1.0	26	26
Sub-Total Requested	91.0	\$ 2,279	\$ 2,279

(Continued)

INDIRECT CARE:

	Positions	(Dollars in Thousands)	
		F.Y. 1990	F.Y. 1991
Dietitian	1.0	\$ 37	\$ 37
Cook	2.0	46	46
Cook Coordinator	1.0	24	24
Dining Hall Supervisor	1.0	23	23
Chief Cook	1.0	27	27
Food Service Worker	7.0	146	146
Building Services Supervisor	1.0	24	24
General Maintenance Worker	9.0	180	180
Plant Maintenance Engineer	3.0	98	98
Painter	1.0	33	33
Carpenter	1.0	33	33
Electrician	1.0	33	33
General Repair Worker	2.0	60	60
Power Plant Chief Engineer	1.0	35	35
Delivery Van Driver	4.0	90	90
Sub-Total Requested	36.0	\$ 889	\$ 889

ADMINISTRATION:

Chief Executive Officer NH	1.0	\$ 53	\$ 53
Assistant Administrator	1.0	43	43
Administrative Secretary	1.0	25	25
Clerk Typist 2	1.0	22	22
Security Guard	1.0	21	21
Switchboard Operator/Clerk Typist	2.0	45	45
Volunteer Services Coordinator	1.0	26	26
Business Manager	1.0	33	33
Accounting Technician	1.0	26	26
Cashier	1.0	25	25
Stores Clerk	1.0	20	20
Buyers Assistant	1.0	23	23
Personnel Aide	1.0	24	24
Registered Nurse Sr. (Inst.)	1.0	31	31
Sub-Total Requested	15.0	\$ 417	\$ 417

SUPPLIES & EXPENSES:

Nursing Supplies		\$ 20	\$ 20
Office Supplies		8	8
Purchased Services		25	25
Medical Contracts		584	584
Prof/Tech Services		65	65
Communications		20	20
Travel		20	20
Food & Drugs		140	140
Fuel & Utilities		130	130
Advertising		10	10
Rents & Leases		5	5
Data Processing Services		5	5
Sub-Total Requested		\$ 1,032	\$ 1,032
Special Equipment		\$ 100	\$ 100
Repairs & Replacements		-0-	25
Insurance Adjustment		\$ 122	\$ 122
TOTAL REQUESTED	142	\$ 4,839	\$ 4,864

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget
 (Continuation)

ACTIVITY: MINNESOTA VETERANS HOME - SILVER BAY
 PROGRAM: MINNESOTA VETERANS HOMES
 AGENCY: VETERANS AFFAIRS, DEPARTMENT OF

RATIONALE:

The Legislation passed by the 1988 session mandates the agency to provide operating resources for the Silver Bay Veterans Home. The home is not in operation at this time. Therefore, the exact case/mix ratios are not available.

The plans for this facility also include a 44 bed domiciliary unit which is expected to be operational in July, 1991. However, we are not including resources for the domiciliary unit in this request.

(Dollars in Thousands)

<u>BASE:</u> None	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General Fund Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Non-Dedicated Receipts	\$ -0-	\$ -0-	\$ -0-	\$ -0-

(Dollars in Thousands)

<u>LONG RANGE IMPLICATIONS:</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Total</u>
General Fund Expenditures	\$ 4,864	\$ 4,864	\$ 9,728
Non-Dedicated Receipts	1,796	1,796	3,592

GOVERNOR'S RECOMMENDATION:

Based upon the anticipated opening of this facility in March, 1990, with full operation by January, 1991, the Governor recommends funding of \$831,000 in F.Y. 1990 and \$4,169,000 in F.Y. 1991. This funding recommendation will generate \$1,251,000 in non-dedicated receipts to the general fund. Re-evaluation of staffing needs by the agency resulted in a reduction of 2.0 positions in F.Y. 1991.

PROGRAM: VETERANS HOME BOARD
Agency: VETERANS AFFAIRS, DEPARTMENT OF

1990-91 Biennial Budget

the Veterans Home in Silver Bay, that additional board meetings will be necessitated for the preparation and the opening of the home.

PROGRAM PURPOSE:

The 1988 Legislature created the Veteran Home Board of Directors to oversee the operation and management of the Minnesota Veterans Homes. Complete authority and responsibility for management of the Veterans Homes is vested in this 9 member board. In addition to its oversight responsibilities for the operation of the homes, the board is also charged with the responsibility of promulgating rules for the governance of the homes and to report quarterly to the Governor on the management, operation and quality of care afforded to residents of the homes.

OPERATION:

The boards consists of 9 voting members, appointed by the Governor, with the advice and consent of the Senate. In addition, 1 member is designated by the Governor as the Chair; 3 ex-officio members of the board are the Chairman of the House Committee on General Legislation Veterans Affairs and Gaming, the Senate Veterans and Military Affairs Committee, and the Commissioner of the Department of Veterans Affairs.

Three members are health care professionals experienced in health care policy formulation; 5 members are also members of congressionally chartered veterans organizations or auxiliaries and are experienced in policy formulation and health care delivery.

In addition to the management of the day to day operation of the homes, the board is also charged with the responsibility of working with federal, state, local and private agencies to develop alternatives to institutional care for veterans, as a complement to the mission of the homes.

Statutory Reference: Laws of 1988, Ch. 699, Sec. 6.

RECENT BUDGET HISTORY:

The board was appointed and assumed control as recently as June, 1988. Enabling legislation appropriated \$125,000 for the operation of the board to be used for per diem and travel expense reimbursement of the 9 voting members and for the staff of 2 authorized by the legislature. This staff consists of an Executive Secretary and a Clerk Steno.

BUDGET ISSUE:

The board is responsible for the continued operation of the Veterans Homes located in Minneapolis and Hastings, and for the proposed Veterans Home in Silver Bay. The board has set goals to provide:

1. quality patient care;
2. maintenance and protection of physical plant;
3. efficient management support systems.

In order to achieve these goals, the board is requesting a biennial request of \$51,908,000 for the Minneapolis, Hastings, and the proposed Silver Bay Veterans Homes. The board anticipates that with the projected opening of

EXPLANATION OF BUDGET REQUEST:

This budget request is to fund the travel expense and per diem expense reimbursement for the 9 voting members of the board and to meet the expenses of the 2 staff persons appointed by the board. Additionally, the board has submitted a request for an additional position, that of Information Officer, which the board feels is necessary to adequately communicate with the many persons and entities so vitally interested in the operation of the homes.

In order for the board to insure that the preparation, opening and operation of the home in Silver Bay is accomplished as expediently as is possible, additional travel dollars will be needed for board and staff expenses.

	<u>(Dollars in Thousands)</u>	
	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Information Officer	\$ 28	\$ 28
Current Expenses (supplies, etc.)	<u>30</u>	<u>30</u>
TOTAL	\$ 58	\$ 58

GOVERNOR'S RECOMMENDATION:

The Governor recommends a BASE of \$254,000 and a biennial increase of \$116,000 for the F.Y. 1990-91 budget.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : VET AFFRS-NURS HOMES
PROGRAM : VETERANS HOME BOARD
BUDGET ACTIVITY : VETERANS HOME BOARD

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	3	81	83	28	111	111	83	28	111	111
EXPENSES/CONTRACTUAL SRVCS	0	7	7	0	7	7	7	0	7	7
MISC OPERATING EXPENSES	4	26	26	28	54	54	26	28	54	54
SUPPLIES/MATERIALS/PARTS	0	3	3	1	4	4	3	1	4	4
CAPITAL EQUIPMENT	0	8	8	1	9	9	8	1	9	9
TOTAL EXPENDITURES	7	125	127	58	185	185	127	58	185	185
CHANGE REQUESTS:										
	FUND									
P ADMIN COSTS & INFORMATION OFFICER					58	58		58		58
TOTAL CHANGE REQUESTS					58	58		58		58
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	7	125	127	58	185	185	127	58	185	185
TOTAL FINANCING	7	125	127	58	185	185	127	58	185	185
POSITIONS BY FUND:										
GENERAL	0.0	2.0	2.0	1.0	3.0	3.0	2.0	1.0	3.0	3.0
TOTAL POSITIONS	0.0	2.0	2.0	1.0	3.0	3.0	2.0	1.0	3.0	3.0

CHANGE REQUEST **1990-91 Biennial Budget**
 _____ Agency Program _____ Activity

ACTIVITY: VETERANS HOME BOARD
PROGRAM: VETERANS HOME BOARD
AGENCY: VETERANS AFFAIRS, DEPARTMENT OF

REQUEST TITLE: ADMINISTRATIVE COSTS AND INFORMATION OFFICER

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 58	1.0	\$ 58	1.0
Governor's Recommendation				
General Fund	\$ 58	1.0	\$ 58	1.0

Request requires statutory change: _____ Yes No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The board requests additional funding of \$116,000 for the biennium.

1. This funding request is to provide a new position of an Information Officer II (\$28,000 per year).
2. A request of \$30,000 a year increase for travel, equipment and supplies. With the onset of the Silver Bay mission, an increase in travel costs for the board and staff is expected in order to insure preparation and opening of the new Home in Silver Bay is handled efficiently and economically in the best interests of our veterans' community.

DESCRIPTION/BACKGROUND:

The board was created by Laws of 1988, Ch. 699, Sec. 6. One of the goals of the board is to improve communications between the board and the legislature and the general public. The Governor's Blue Ribbon Commission on the Veterans Homes specifically cited the need for improved communications between the homes and the public. Alternatives to traditional institutional health care need to be communicated to the legislature as well as the consuming public. Further, the anticipated linkages between the Veterans Homes and Geriatric Research and Teaching institutions must be fully and openly communicated to all interested parties, particularly residents of the Veterans Homes.

RATIONALE:

In order for the board to improve communications, as indicated above, an additional position of Information Officer II is requested. Also necessary is increased travel by the board members to interact with federal, state and local interests. Section 10 of Ch. 699 directs the board to "work with federal, state, local and private agencies to develop alternative institutional and noninstitutional care programs for veterans to supplement the mission of the Homes." In order for the board to meet this mandate, an estimated \$30,000 per year in additional travel and supply funds is requested.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 30	\$ 125	\$ 125	\$ 125

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 58	\$ 58	\$ 116

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

PROGRAM: DEDICATED ACCOUNTS
Agency: VETERANS AFFAIRS, NURSING HOMES

1990-91 Biennial Budget

PROGRAM PURPOSE:

This program accounts for all dedicated receipts pertaining to residents of the Veterans Homes. This program does not involve any legislative appropriation. The objectives of the services provided under this program are: accurate accounting of financial activity, proper safeguards/security of personal funds, coordinated investments with maximized interest earnings, and assistance in financial planning.

OPERATION:

This program encompasses the following operations.

1. A personal banking system for residents of the Veterans Homes whereby deposits and withdrawals of personal funds can be made daily and reconciled for the benefit of residents on monthly statements.
2. A financial guardianship service to eligible veterans encompassing the review and payment of obligations incurred by the client, annual financial reviews presented to the courts on behalf of the client, and maximized earnings on investments.
3. A coordinated canteen operation providing the availability of miscellaneous supplies/toiletries and snacks for the convenience of the residents at the Veterans Homes. Profits realized from operation are used for resident activities. Sales tax receipts are deposited to the general fund.
4. Administration of a designated contribution account whereby monies donated to the department for the benefit of veterans, are accurately recorded and expended in accordance with the intent of the donor. Examples include material donations such as handi-vans, televisions and woodworking equipment, as well as monies donated for resident activities such as fishing trips, ball games and bingo.

BUDGET ISSUE:

All funds are recorded as dedicated receipts and used for the benefit of Veterans Home residents and veterans under financial guardianship.

EXPLANATION OF BUDGET REQUEST:

This program does not involve any legislative appropriation.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : VET AFFRS-MURS HOMES
PROGRAM : DEDICATED ACCOUNTS
BUDGET ACTIVITY : TRUST ACCOUNTS MVH-MPLS

EXPENDITURES:	F.Y. 1990					F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
EXPENSES/CONTRACTUAL SRVCS	7	6	6	0	6	6	6	0	6	6
MISC OPERATING EXPENSES	751	739	739	0	739	739	739	0	739	739
SUPPLIES/MATERIALS/PARTS	122	181	181	0	181	181	181	0	181	181
CAPITAL EQUIPMENT	7	7	7	0	7	7	7	0	7	7
TOTAL EXPENDITURES	887	933	933	0	933	933	933	0	933	933
SOURCES OF FINANCING:										
STATUTORY APPROPRIATIONS:										
AGENCY	731	788	788	0	788	788	788	0	788	788
GIFTS AND DEPOSITS	156	145	145	0	145	145	145	0	145	145
TOTAL FINANCING	887	933	933	0	933	933	933	0	933	933
POSITIONS BY FUND:										
TOTAL POSITIONS										

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : VET AFFRS-NURS HOMES
PROGRAM : DEDICATED ACCOUNTS
BUDGET ACTIVITY : TRUST ACCOUNTS MVH-HASTINGS

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
EXPENSES/CONTRACTUAL SRVCS	0	2	2	0	2	2	2	0	2	2
MISC OPERATING EXPENSES	122	147	147	0	147	147	147	0	147	147
SUPPLIES/MATERIALS/PARTS	48	34	34	0	34	34	34	0	34	34
TOTAL EXPENDITURES	170	183	183	0	183	183	183	0	183	183
SOURCES OF FINANCING:										
STATUTORY APPROPRIATIONS:										
AGENCY	170	183	183	0	183	183	183	0	183	183
TOTAL FINANCING	170	183	183	0	183	183	183	0	183	183
POSITIONS BY FUND:										
TOTAL POSITIONS										

PROGRAM: BUILDING RENTAL
Agency: VETERANS AFFAIRS, NURSING HOMES

1990-91 Biennial Budget

PROGRAM PURPOSE:

It is the intent of the agency to lease or rent all building space surplus to its needs, as directed by the Department of Administration. During the legislative session, the agency was given the authority to retain the monies received from these rentals and leases. Prior to this change, the agency was forced to absorb the costs of renting and leasing the properties and to turn over the income generated to the general fund.

OPERATION:

The agency has rental and lease agreements with a number of groups and organizations, such as the U.S. VA and Dakota County. In addition to monies received, the agency also receives in-kind services for its residents free of charge by several of these groups. The U.S. VA, as an example, leases surplus space on the Minneapolis campus of the Minnesota Veterans Home where it operates an Adult Day Health Care Program, the 1st of its kind in the nation. Our residents are allowed and encouraged to participate in all programs offered, to the extent they desire. The Minnesota Veterans Home resident at Hastings is eligible to receive chemically dependent treatment services via the Dakota County Treatment Program, free of charge and on a priority basis.

Income received from these rents and leases is used to maintain the condition of the buildings, relative to their current use, and to defray the costs to the agency. This arrangement allows the department the ability to maximize the utilization of surplus buildings, maintain building improvements and expend funds for the purpose for which they were appropriated. Prior to the above mentioned legislative change, the buildings were deteriorating as the agency could no longer bear the costs associated with leasing its surplus capacity and maintaining it in its proper form.

The facilities leased or rented to other agencies are those surplus to the current needs of the department and are not suitable for use as health care facilities. When constructed, these buildings met their intended use; however, changes in health care rules and regulations dictate that these buildings are no longer acceptable. Even with extensive and expensive remodeling, these buildings would not be acceptable for structural reasons, such as hallways that are too narrow and cannot be widened.

BUDGET ISSUE:

It is the intention of the agency to continue to make every effort to lease its surplus space, thereby generating income which can be used to maintain the condition of these buildings, make minor repairs and improvements, as well as defraying the costs of fuel and utilities.

EXPLANATION OF BUDGET REQUEST:

There are no legislatively appropriated funds involved in the operation of this agency function.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : VET AFFRS-NURS HOMES
PROGRAM : BUILDING RENTAL
BUDGET ACTIVITY : DEDICATED RECEIPTS

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
EXPENSES/CONTRACTUAL SRVCS	71	30	30	0	30	30	30	0	30	30
MISC OPERATING EXPENSES	57	54	54	0	54	54	54	0	54	54
SUPPLIES/MATERIALS/PARTS	157	110	110	0	110	110	110	0	110	110
CAPITAL EQUIPMENT	0	16	16	0	16	16	16	0	16	16
TOTAL EXPENDITURES	285	210	210	0	210	210	210	0	210	210
SOURCES OF FINANCING:										
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	285	210	210	0	210	210	210	0	210	210
TOTAL FINANCING	285	210	210	0	210	210	210	0	210	210
POSITIONS BY FUND:										
TOTAL POSITIONS										

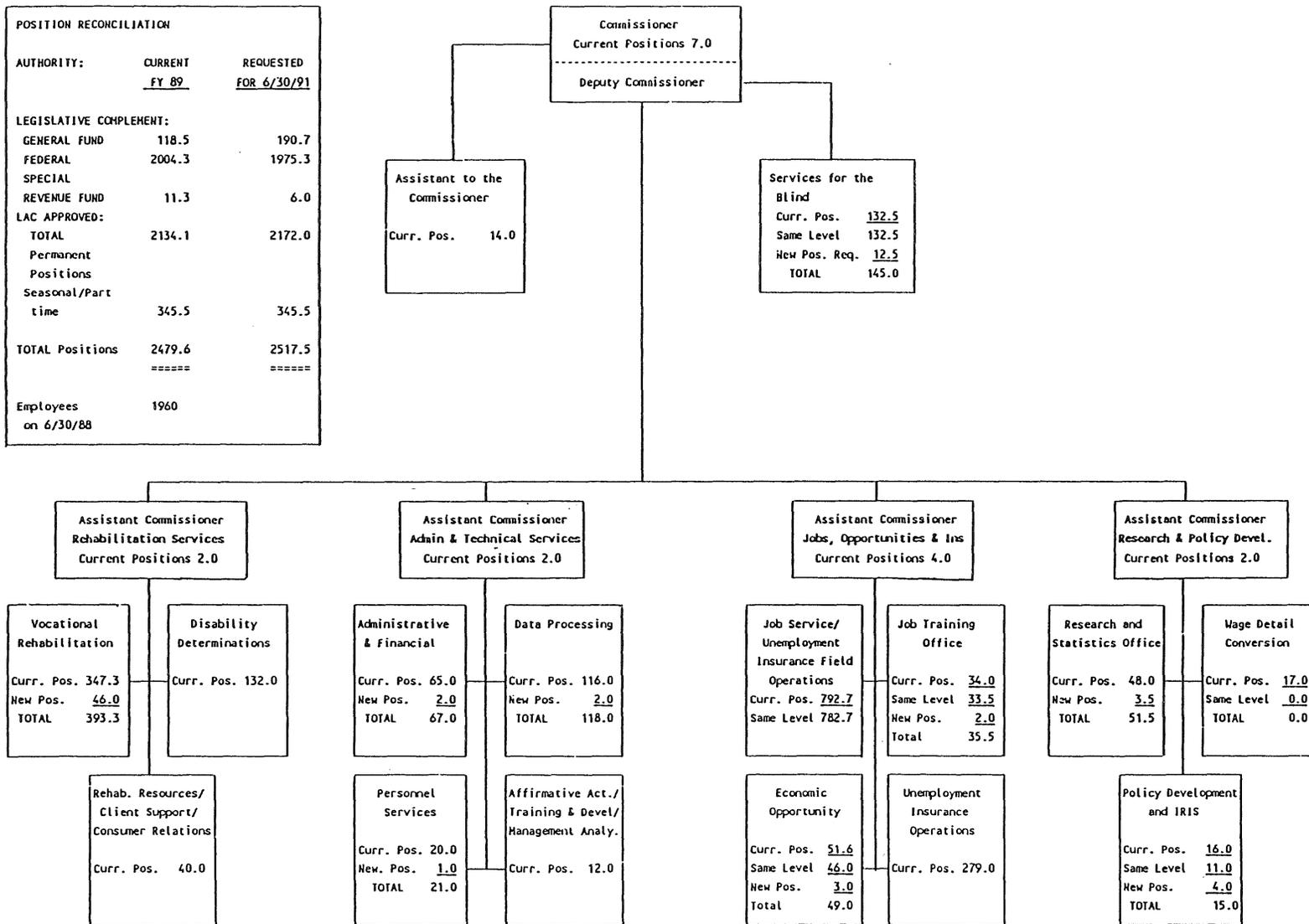
**1990-91 BIENNIAL BUDGET
PROGRAM STRUCTURE**

AGENCY: JOBS AND TRAINING, DEPARTMENT OF

<u>PROGRAMS</u>	<u>ACTIVITIES</u>	<u>SECTION</u>	<u>PAGE</u>
REHABILITATION SERVICES -----	Vocational Rehabilitation Services	4	10
	Independent Living Services		14
	Client Services Innovation		19
	Workers' Compensation		22
	Extended Employment		25
	Disability Determination		29
SERVICES FOR THE BLIND -----	Services for the Blind		31
ECONOMIC OPPORTUNITY OFFICE -----	Anti-Poverty Programs		44
	Head Start		46
	Food and Shelter		49
	Energy Assistance		53
	Weatherization		55
UNEMPLOYMENT INSURANCE -----	Unemployment Insurance		57
EMPLOYMENT AND TRAINING -----	Job Training Partnership Act Programs		62
	Youth Programs		64
	Wage Subsidy		68
	Employment Initiatives/AFDC		71
	Dislocated Workers		73
	Displaced Homemakers		75
	Employment Programs		78
	Intake, Referral and Inventory System (IRIS)		87

DEPARTMENT OF JOBS AND TRAINING
ORGANIZATION CHART 7-1-88

POSITION RECONCILIATION		
AUTHORITY:	CURRENT	REQUESTED
	<u>FY 89</u>	<u>FOR 6/30/91</u>
LEGISLATIVE COMPLEMENT:		
GENERAL FUND	118.5	190.7
FEDERAL	2004.3	1975.3
SPECIAL		
REVENUE FUND	11.3	6.0
LAC APPROVED:		
TOTAL	2134.1	2172.0
Permanent Positions		
Seasonal/Part time	345.5	345.5
TOTAL Positions	2479.6	2517.5
	=====	=====
Employees on 6/30/88	1960	



AGENCY PURPOSE:

To directly provide or ensure for the provision of effective, efficient and coordinated Federal and State income support, employment, training, rehabilitation and anti-poverty services to Minnesotans in need. These services provide both basic needs, which help stabilize and sustain individuals, and employment, training and education opportunities leading to economic self-sufficiency and independent living. Emphasis for services focuses on at-risk youth, individuals on public assistance and with low incomes, unemployed and underemployed individuals and individuals with physical, mental or emotional disabilities.

MISSION, GOALS AND OBJECTIVES:

The Department of Jobs and Training conducts its business within the framework of a Goals Management System.

MISSION

The mission of the Minnesota Department of Jobs and Training is to bring people and jobs together in Minnesota by helping business meet labor force needs, and to eliminate financial, physical and social barriers faced by the unemployed and underemployed in their quest for productive employment and economic self-sufficiency.

The department recognizes the need for the State of Minnesota to be directed by a strong and cohesive employment mission in order to meet the employment needs of its citizens.

Further a clear statement of mission provides us with a framework on which to build statewide employment policies as required by the 1985 State Jobs Act.

The term "employment" includes a broad range of programs and services, all of which relate to moving people toward their maximum potential. The scope of our efforts must cover all services and resources in the employment system to maximize the delivery of assistance to the unemployed, underemployed, those needing training and to Minnesota employers.

Following are the department's Strategic Goals that relate directly to the department's mission:

1. Ensure that the employment system is coordinated and cost effective while meeting employer and worker needs in a changing economy and labor market.
2. Enables persons with disabilities to increase significantly their vocational and personal independence, with special attention to individuals with severe handicapping situations.
3. Maximize state-level leadership and coordination activities which support the locally based employment and training system.
4. Significantly decrease unemployment insurance claims and public assistance payments by reducing unemployment and underemployment.
5. Increase employer and public use of employment services.

6. Ensure equity of access to employment programs.
7. Collect, analyze, distribute and apply labor market and occupational information which support service delivery planning and analysis.
8. Identify and address barriers which impede low-income people from gaining economic independence and self-sufficiency.
9. Improve performance of staff and programs by providing an organizational structure and environment which promotes professional excellence, productivity and job satisfaction.

OPERATIONS AND CLIENTELE:

The divisions of the Department are directly guided by the mission and strategic goals and also operate within a "Goals and Objectives" framework. The divisions, clients served and major programs for each are outlined below:

REHABILITATION SERVICES provides individuals with physical, mental or emotional disabilities with assessments focusing on their strengths, aptitudes, evaluations of disabilities and individualized vocational planning; provides rehabilitation services to workers injured on the job through its Workers' Compensation Unit; subsidizes and monitors Extended Employment Programs for the severely disabled; provide independent living services designed to allow the severely disabled greater independence; and Disability Determination Services.

SERVICES FOR THE BLIND AND VISUALLY HANDICAPPED is now a part of the Commissioner's Office. The director reports directly to the Deputy Commissioner. Services include: Vocational rehabilitation, child rehabilitation, self-care, independent living, business enterprises and the communication center.

JOBS, OPPORTUNITIES AND INSURANCE administers and monitors federal and state income support, employment, training and anti-poverty programs which benefit unemployed, underemployed, low income and public assistance recipients. Programs include: Unemployment Insurance, Job Service, Job Training Partnership Act, Community Services Block Grant, Energy Assistance, Weatherization, Housing and Food Assistance, Head Start, Displaced Homemaker, Wage Subsidy (MEED), Minnesota Youth Program, Opportunity Industrialization Centers and Youth Intervention. In addition, through an interagency agreement with the Department of Human Services, the Department administers PATHS, Work Readiness, AFDC Employment Search, AFDC Grant Diversion, Supported Work and the Food Stamp Employment Search Program.

RESEARCH AND POLICY is responsible for department-wide evaluation of program services, development and maintenance of department rules and evaluation of federal and state legislation. The division coordinates new program development and administration with other divisions, and administers the Bureau of Labor Statistics Labor Market Information program and the Intake, Referral and Inventory System.

ADMINISTRATIVE AND TECHNICAL SERVICES provides the supportive services for the Department. Included in the division are the offices of Administrative and Financial Management, Labor Relations and Personnel Services, Management Analysis, Training and Development, and Data Processing.

BUDGET ISSUES:

The department utilizes federal and state resources to provide a wide variety of services to assist all Minnesotans in need to become economically and individually self-sufficient. The department has focused special attention on persons with severe or multi-barriers to economic and independent self-sufficiency by serving long-term AFDC recipients in PATHS; at-risk youth in the Minnesota Youth Program; the severely disabled in Rehabilitation Services and State Services for the Blind. Providing a highly-educated and stable work force, reduced stays on public assistance and the tax revenue generated through employment justifies this targeting. This special focus has created a demand for services which are extensive and expensive and the demand for these services is far greater than our present ability to provide them. Funds requested reflects our targeting and ensures service to more individuals without a dilution in the quality of those services.

Displaced Homemaker programs provide intensive pre-employment and support services required by displaced homemakers who need to enter the work force. The funding comes from dedicated marriage and dissolution fees which provides inadequate funding for the intensive services provided. A General Fund appropriation is necessary in order to provide an adequate funding level of services for the existing ten displaced homemaker programs and to expand the services statewide.

An area of major concern and importance to the Department is our ability to ensure that Minnesota's children grow up healthy, educated and employable. The Head Start program allows low-income children age 3-5 to receive education, health screening, medical and dental, nutrition and mental health services. The Minnesota Youth Program enhances basic education skills of youth, encourages school completion or enrollment in alternative programs and exposes youth to employment. Both of these programs have proven beneficial and effective in preparing Minnesota's youth to become productive adults. However, funding for the Head Start and Minnesota Youth Program enables only a fraction of the eligible population to participate. The budget request recognizes the need to supplement federal funding in order to provide services to an increased number of children.

Another area which affects low income individuals and has shown a significant increase is need for food and housing for low income Minnesotans. The number of homeless in Minnesota has increased and the current budget request reflects the need to provide funding for temporary housing and low income housing grants.

EXPLANATION OF BUDGET REQUEST: (000's)

The agency is primarily federally funded and expects about the same overall level of federal funding. The same level for state programs is requested. The 18 CHANGE requests totaling \$35,692 are as follows:

Rehabilitation Service's Change Requests have been included at the activity level. To reduce caseload size and provide rehabilitation to severely disabled individuals \$7,207 and 31.0 positions have been requested. \$3,620 and 8.0 positions have been requested to establish 3 new Independent Living Centers, establish 6 new branch offices to existing centers and adequately

meet the high demand for services throughout the state. An additional \$810 and 11.0 positions is requested to serve the growing Workers' Compensation Non Qualified Employee injured person population and to assure their access to rehabilitation services. To provide community based supported employment opportunities for persons with severe disabilities, a CHANGE request for \$5,503 has been included.

To provide services to the increasing number of severely disabled elderly blind to enable them to live independently, an additional \$418 and 3.0 positions has been requested. \$500 has been requested in a CHANGE request which would enable clients to access jobs by purchasing state-of-the-art technological equipment and devices for their use. To meet the increased demand for services, \$262 and 5.5 positions have been requested for the Communication Center. To convert the Services for the Blind Management Information System to be IBM compatible and reasonably accommodate blind and visually handicapped clients and employees, \$452 and 1.0 position has been requested. The loss of federal funds prompts the CHANGE request of \$420 and 4 positions to maintain the level of service to those multi-handicapped blind seeking independent living.

To expand the Head Start program to an increased number of preschool children, \$6,000 and 2.0 positions is requested. An additional \$260 has been included in a Change Request to expand temporary housing and supportive services which would provide long-term solutions to homeless persons. A program of grants to local Community Action programs to develop the local capacity to preserve and create permanent low income housing is included as a Change Request in the amount of \$2,000 with 1.0 position.

To expand the number of youth served under the Minnesota Youth Program and the Youth Intervention Program an additional \$3,600 and 2.0 positions has been requested. By establishing 4 new Displaced Homemaker Programs and expanding the services of existing programs, all counties of the state would be served. \$2,000 and 2.0 positions have been included in a CHANGE request for the Displaced Homemaker Program. To assist the Bemidji Area Employment Council, a local nonprofit organization, provide employment related assistance to the local Indian population and employers \$80 is requested. \$400 and 3.5 positions are requested to meet the increasing demand for labor market information to support job creation, placement, employment and training and economic development efforts. To develop the Intake, Referral and Inventory System (IRIS), which provide client inventory and referral information to clients and tracks clients as they move through the Jobs and Training and Human Service Programs, \$1,800 and 4.0 positions are requested. An additional \$350 has been requested to expand the services of the Opportunities Industrialization Centers.

AGENCY: JOBS AND TRAINING, DEPARTMENT OF
(Continuation)

1990-91 Biennial Budget

INDEX	(Dollars in Thousands)		Page
	Agency Request	Governor's Recommendation	
	1990-91 Biennium All Funds	1990-91 Biennium All Funds	
BASE Level Request	\$ 485,897	\$ 485,897	
Agency-wide CHANGE Requests	-0-	-0-	
Subtotal	485,897	485,897	
Program/Budget Activity CHANGE Requests			
Rehabilitation Services			
Services for Severe Disability	7,207	-0-	13
Statewide Independent Living Services	3,620	376	17
Non QE Populations/Statewide Access	810	-0-	24
Integrated Community Settings	5,503	800	28
Subtotal	17,140	1,176	
Services for the Blind			
Elderly Blind Accessibility	418	-0-	35
Client Accessibility to Jobs	500	-0-	36
Communication Center	262	-0-	37
Reasonable Accomodation and Management Information System Conversion	452	-0-	38
Multi-handicapped Accessibility	420	-0-	39
Subtotal	2,052	-0-	
Economic Opporrtunity Office			
Head Start Expansion	6,000	16,000	48
Temporary Housing Expansion	260	-0-	51
Low Income Housing Planning Grant	2,000	-0-	52
Subtotal	8,260	16,000	
Unemployment Insurance	-0-	-0-	
	-0-	-0-	
Employment and Training			
At-Risk Youth	3,600	1,500	67
Wage Subsidy Reduction	-0-	(19,224)	70
Displaced Homemakers	2,000	952	77
Indian Education	80	-0-	81
Labor Market Information	400	-0-	82
Opportunities Industrialization Center	350	350	83
Hospitality Hosts	-0-	1,400	85
Intake, Referral and Inventory System	1,800	-0-	89
Subtotal	8,230	(15,002)	
CHANGE Requests Subtotal	\$ 35,692	\$ 2,154	
AGENCY Total	\$ 521,579	\$ 488,051	

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : JOBS & TRAINING

PROGRAM EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
REHABILITATION SERVICES	45,570	51,680	49,904	7,428	57,332	50,492	49,654	9,712	59,366	50,242
SERVICES FOR THE BLIND	9,217	9,589	9,154	1,149	10,303	9,154	9,273	903	10,176	9,273
ECONOMIC OPPORTUNITY OFFICE	90,285	81,678	76,694	4,130	80,824	84,694	72,694	4,130	76,824	80,694
UNEMPLOYMENT INSURANCE	34,482	45,604	37,020	0	37,020	37,020	35,746	0	35,746	35,746
EMPLOYMENT & TRAINING	79,606	80,091	73,621	3,965	77,586	66,110	72,137	4,265	76,402	64,626
TOTAL EXPENDITURES	259,160	268,642	246,393	16,672	263,065	247,470	239,504	19,010	258,514	240,581
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	33,811	35,551	36,273	16,672	52,945	37,486	34,789	19,010	53,799	36,002
SPECIAL REVENUE	0	4,300	4,000	0	4,000	4,000	0	0	0	0
STATUTORY APPROPRIATIONS:										
GENERAL	275	2,345	0	0	0	0	0	0	0	0
SPECIAL REVENUE	4,014	5,862	3,981	0	3,981	3,845	3,986	0	3,986	3,850
FEDERAL	221,018	220,442	202,019	0	202,019	202,019	200,609	0	200,609	200,609
GIFTS AND DEPOSITS	42	142	120	0	120	120	120	0	120	120
TOTAL FINANCING	259,160	268,642	246,393	16,672	263,065	247,470	239,504	19,010	258,514	240,581
POSITIONS BY FUND:										
GENERAL	116.5	118.5	114.7	65.5	180.2	117.5	114.7	76.0	190.7	117.5
SPECIAL REVENUE	12.0	11.3	11.0	0.0	11.0	8.0	6.0	0.0	6.0	3.0
FEDERAL	2,220.0	2,004.3	1,975.3	0.0	1,975.3	1,975.3	1,975.3	0.0	1,975.3	1,975.3
TOTAL POSITIONS	2,348.5	2,134.1	2,101.0	65.5	2,166.5	2,100.8	2,096.0	76.0	2,172.0	2,095.8

PROGRAM: REHABILITATION SERVICES
Agency: JOBS AND TRAINING, DEPARTMENT OF

1990-91 Biennial Budget

PROGRAM PURPOSE:

The Rehabilitation Services program provides services to enable individuals with disabilities to increase significantly their vocational, personal and financial independence, with special attention to those with the more severe handicaps and handicapping situations.

GOALS AND OBJECTIVES:

- 1) To ensure quality outcomes for the program's consumers by providing services which are responsive to needs, involve the consumer, are timely, innovative, and accessible.
- 2) To promote our consumers' full participation in society by developing least restrictive community-based service options by applying rehabilitation technology, and by assuring maximum individual involvement and choice.
- 3) To identify and serve emerging and underserved populations with unique needs by developing strategies and directing resources to increase personal and vocational independence for individuals in those populations.
- 4) To provide leadership in meeting the needs of people with disabilities by communicating and planning cooperatively with consumers, advocates, service providers, employers, and those organizations with whom the program shares a common clientele.
- 5) To actively pursue public and private resources and manage those resources in a cost effective manner so the program can serve more individuals in need of services.
- 6) To assure optimal performance of staff and programs by providing an organizational environment which promotes a commitment to customer service, productivity, and job satisfaction.

RESULTS:

Some of the major program achievements during the biennium are:

- 1) Full implementation of a performance based funding system for the Extended Employment activity, emphasizing community-based supported employment outcomes.
- 2) Continued lead agency role in the management of the Minnesota Supported Employment Project, a collaborative interagency effort to expand community-based supported employment options for individuals with severe disabilities.
- 3) Strengthened the rehabilitation role in the transition process for students moving from school to work.
- 4) Implementation of a federally funded Projects With Industry program focused on placement of students with disabilities in greater Minnesota.
- 5) Expansion of the independent living activity through the establishment of 1 new center, 5 new branch offices of existing centers, and the addition of Rehabilitation Services liaison coordinators for the centers.
- 6) Establishment of a successful computer training project for individuals with severe disabilities involving collaboration with IBM and 25 other metropolitan businesses.
- 7) Initiation of targeted services for individuals with severe disabilities including those with traumatic brain injury and serious and persistent mental illness.

Funds expended in this program generate significant economic benefits. Taxpayers' benefits include additional tax revenue paid by rehabilitants and reduced amounts of public assistance needed as result of rehabilitation services. Cost/benefit data for Federal Fiscal Year 1988 are estimated as follows:

	<u>VOC REHAB</u>	<u>W.C.</u>
Reduced amount of Public Assistance (000s)	\$34,748	\$443
Taxpayers' benefits per \$1 spent by DRS	\$3.80	\$3.92
Number of years required to repay cost	2.51	2.43

MAJOR POLICY ISSUES: In establishing its program directions, the Rehabilitation Services program is attempting to meet the needs of Minnesotans with disabilities. Documentation for these needs is based on information contained in a national study conducted by the Louis Harris Organization and needs assessment activities carried out by the program. These studies indicate that there are 311,000 Minnesotans with disabilities between the ages of 16-64 and 81,000 (26%) have incomes below the poverty level. Those that are employed earn an average annual income of \$19,048 in comparison with the average annual earning of non-disabled people of \$30,583. Approximately two-thirds of the individuals with disabilities are unemployed. High unemployment, poverty and limited participation in community activities are characteristics common to people with disabilities. Certain needs are consistently identified by these studies as being significantly unmet. These include access to appropriate housing, transportation and support services necessary to making independent living a reality. In the employment area the needs include job specific skill training, job coaching on the job site, job site modification, community based supported employment, disability awareness information for employers and the application of rehabilitation technology and engineering.

Across all activities, there is an increasing backlog of individuals needing services to which the program is unable to respond. This capacity issue affects all activities to varying degrees and the organizational response to that situation is reflected throughout the budget document.

In addressing these needs, program priorities include:

- 1) serving individuals with various handicapping conditions who represent the full range of severity of disability,
- 2) maximum utilization of rehabilitation technology to enhance both employment and independent living outcomes,
- 3) full integration of community-based supported employment as a major program emphasis,
- 4) expanded and strengthened efforts to enhance employer involvement in rehabilitation programs,
- 5) continued strengthening of the rehabilitation role in the transition of students with disabilities from school-to-work and community living,
- 6) assuring the availability of rehabilitation and independent living services throughout the state; and
- 7) providing for quality service outcomes in all program activities.

BUDGET ISSUES: The Rehabilitation Services Program has made concerted efforts to focus special attention on individuals with severe disabilities throughout its several activities. As the program's ability to serve individuals with severe disabilities has expanded, the demand for more extensive and frequently more expensive services has increased. The result is that, notably in the vocational rehabilitation activity, the average cost

PROGRAM: REHABILITATION SERVICES
(Continuation)

1990-91 Biennial Budget

Agency: JOBS AND TRAINING, DEPARTMENT OF

Services program is uniquely qualified, and is, in fact, mandated to include individuals with the more severe disabilities in its program of services. This has been a very positive trend. However, the net effect has been some reduction in the number of individuals served and rehabilitated as service patterns and the individuals served have changed. Early efforts to maintain overall service levels resulted in a dilution of service quality. Funds requested throughout this budget reflect a recognition of the implications of these changed patterns of service to person with severe disabilities and the need to remain cost effective in all service areas.

EXPLANATION OF BUDGET REQUEST:

Emphasis on serving individuals with severe disabilities and meeting these individuals' service needs has required the Rehabilitation Services Program to request increases in state appropriations for the following activities:

1. Vocational Rehabilitation Services: Request \$7,207 in funds and positions for the biennium to provide services for populations with severe disabilities and to reduce caseload size.
2. Independent Living Services: Request \$3,620 in funds and positions to assure statewide independent living services.
3. Workers' Compensation: Request an increase of \$810 in funds and positions to serve growing Non-Qualified Employee injured worker populations and to assure their statewide access to rehabilitation services.
4. Extended Employment: Request \$5,503 to put 1,800 more people to work in integrated community settings.

GOVERNOR'S RECOMMENDATION:

The Governor recommends a General Fund BASE of \$34,922 and a biennial increase of \$1,176 for the 1990-91 biennial budget.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : JOBS & TRAINING
PROGRAM : REHABILITATION SERVICES

ACTIVITY EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
VOCATIONAL REHAB SERVICES	25,078	27,276	27,276	3,042	30,318	27,276	27,276	4,165	31,441	27,276
B POPULATIONS WITH SEVERE DISABILITY	GEN			3,042		0		4,165		0
INDEPENDENT LIVING SERVICES	729	948	940	1,810	2,750	1,128	940	1,810	2,750	1,128
B STATEWIDE INDEPENDENT LIVING	GEN			1,810		188		1,810		188
CLIENT SERVICES INNOVATION	617	2,030	1,559	0	1,559	1,559	1,309	0	1,309	1,309
WORKERS COMPENSATION	1,391	1,668	1,505	400	1,905	1,505	1,505	410	1,915	1,505
B NON-QE POPULATION/STATEWIDE ACCESS	GEN			400		0		410		0
EXTENDED EMPLOYMENT	9,456	9,629	9,484	2,176	11,660	9,884	9,484	3,327	12,811	9,884
B INTEGRATED COMMUNITY SETTINGS	GEN			2,176		400		3,327		400
DISABILITY DETERMINATION SV	8,299	10,129	9,140	0	9,140	9,140	9,140	0	9,140	9,140
TOTAL EXPENDITURES	45,570	51,680	49,904	7,428	57,332	50,492	49,654	9,712	59,366	50,242
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	17,084	17,779	17,461	7,428	24,889	18,049	17,461	9,712	27,173	18,049
STATUTORY APPROPRIATIONS:										
FEDERAL	28,448	33,819	32,383	0	32,383	32,383	32,133	0	32,133	32,133
GIFTS AND DEPOSITS	38	82	60	0	60	60	60	0	60	60
TOTAL FINANCING	45,570	51,680	49,904	7,428	57,332	50,492	49,654	9,712	59,366	50,242
POSITIONS BY FUND:										
GENERAL	35.0	35.0	35.0	39.5	74.5	35.0	35.0	50.0	85.0	35.0
FEDERAL	529.0	526.3	526.3	0.0	526.3	526.3	526.3	0.0	526.3	526.3
TOTAL POSITIONS	564.0	561.3	561.3	39.5	600.8	561.3	561.3	50.0	611.3	561.3

ACTIVITY: VOCATIONAL REHABILITATION (VR) SERVICES 1990-91 Biennial Budget
Program: REHABILITATION SERVICES
Agency: JOBS AND TRAINING, DEPARTMENT OF

PURPOSE:

To provide rehabilitation services to persons with vocationally-handicapping disabilities to increase significantly their vocational, personal and financial independence, and to further their integration into society.

OBJECTIVES:

For the 1990-91 biennium, this activity has identified 4 objectives to ensure the provision of quality services to individuals who represent the full range of severity of disability:

1. Increase the activity's capacity to respond to the unique rehabilitation needs of individuals with the more complex vocationally-handicapping conditions;
2. Decrease caseload size so that counselors will have the time needed to provide individualized vocational services, and to develop innovative resources and placement options;
3. Work cooperatively with the Department of Human Services, county Social Service agencies, and other providers to assure individuals receive the full array of services needed to maintain employment while avoiding duplication of effort; and
4. Provide the time-limited services needed for individuals with the more severe disabilities to prepare them for community-based employment, in coordination with the Extended Employment activity and other agencies able to provide long-term support.

EFFECTIVENESS MEASURES:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Individuals with disabilities successfully employed	3,662	3,650	3,650	3,650
Success Rate	62%	63%	64%	65%
% of persons severely disabled	60%	61%	62%	63%
Public Assistance reduction per year (000'S)	\$34,788	\$35,791	\$36,865	\$37,971
Increase in hourly wage after services	\$4.15	\$4.15	\$4.15	\$4.15
Average Cost per person rehabilitated	\$5,789	\$6,136	\$6,504	\$6,894

RESULTS:

In the 1988-1989 biennium, this activity has accomplished the following results:

1. The activity has identified and is currently serving new and underserved populations, with emphasis on students transitioning from school to work, individuals with serious and persistent mental illness, persons with traumatic brain injuries, and individuals from minority groups such as American Indians and Southeast Asians; and
2. Vocational Rehabilitation is playing a leadership role in developing the service delivery systems needed to serve these populations, including school to work transition plans, supported employment options, and rehabilitation technology to enhance a person's employability.

This activity is currently planning services with 26% of the 19,000 students with disabilities in need of transition services, 21% of the 8,700 indivi-

duals with serious and persistent mental illness, and 51% of the 1,000 persons with severe traumatic brain injuries. These individuals need intensive and individualized vocational counseling, and many need supported employment services and rehabilitation technology in order to obtain meaningful employment. The provision of these services is more costly than the traditional services provided by this activity, and more time is required to develop the individualized plans and to coordinate services with other agencies. It is therefore necessary to decrease caseload size.

GRANTS AND AIDS:

Statutory Reference: M.S. 129A.03 (b) (1985 Supp.) and P.L. 98-221.

1. Aids to Individuals: Purchased Services for Clients. Funds are used to provide direct rehabilitation services to persons with vocational handicaps who are eligible for services under Section 110 of the Rehabilitation Act of 1973, as amended. Eligibility criteria consist of: a) the presence of a physical or mental disability which results in a substantial handicap to employment, and b) a reasonable expectation that vocational rehabilitation services will result in gainful employment for the individual. When funding the client's plan, the counselor gives full consideration to resources available from other agencies as well as the client's own resources. Vocational Rehabilitation purchases services only when other resources are insufficient to meet the person's needs.
2. Local Assistance: a) Contractual arrangements with 4 secondary schools enable vocational rehabilitation counselors and local education agencies to better serve secondary students. b) Special grants for program development are provided to vendors to develop services for individuals with severe disabilities.

ACTIVITY STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Individuals with supported employment plans	800	900	950	1,000
Individuals in planning:				
school transition	4,911	4,960	5,010	5,060
mental health	1,900	1,919	1,938	1,957
traumatic brain injury	510	515	520	525
Average caseload size per counselor	136	134	132	130
Purchased service cost per client	\$1,500	\$1,590	\$1,685	\$1,786
No. of Special Grants	0	14	8	0

(Dollars in Thousands)

GRANTS BY FUND:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General	\$ 6,005	\$ 6,009	\$ 6,007	\$ 6,007
Federal	3,703	4,968	5,087	5,087
Total	\$ 9,708	\$ 10,977	\$ 11,094	\$ 11,094

EXPLANATION OF BUDGET REQUEST:

The CHANGE request for \$3,042 for F.Y. 1990 and \$4,165 for F.Y. 1991 targets new resources to emerging and underserved populations to increase our capacity to serve individuals with the more severe disabilities, and to reduce caseload size.

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1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : JOBS & TRAINING
PROGRAM : REHABILITATION SERVICES
BUDGET ACTIVITY : VOCATIONAL REHAB SERVICES

EXPENDITURES:	F.Y. 1990					F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	12,109	12,950	12,950	675	13,625	12,950	12,950	1,019	13,969	12,950
EXPENSES/CONTRACTUAL SRVCS	1,542	1,597	1,595	12	1,607	1,595	1,595	19	1,614	1,595
MISC OPERATING EXPENSES	857	927	927	13	940	927	927	32	959	927
SUPPLIES/MATERIALS/PARTS	368	255	255	2	257	255	255	5	260	255
CAPITAL EQUIPMENT	210	335	220	0	220	220	220	0	220	220
REAL PROPERTY	10	0	0	0	0	0	0	0	0	0
REDISTRIBUTIONS	274	235	235	0	235	235	235	0	235	235
STATE OPERATIONS	15,370	16,299	16,182	702	16,884	16,182	16,182	1,075	17,257	16,182
AIDS TO INDIVIDUALS	9,395	10,380	10,497	2,340	12,837	10,497	10,497	3,090	13,587	10,497
LOCAL ASSISTANCE	313	597	597	0	597	597	597	0	597	597
TOTAL EXPENDITURES	25,078	27,276	27,276	3,042	30,318	27,276	27,276	4,165	31,441	27,276
CHANGE REQUESTS:	FUND									
B POPULATIONS WITH SEVERE DISABILITY	GEN									
				3,042		0		4,165		0
TOTAL CHANGE REQUESTS				3,042		0		4,165		0
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	6,005	6,009	6,007	3,042	9,049	6,007	6,007	4,165	10,172	6,007
STATUTORY APPROPRIATIONS:										
FEDERAL	19,073	21,267	21,269	0	21,269	21,269	21,269	0	21,269	21,269
TOTAL FINANCING	25,078	27,276	27,276	3,042	30,318	27,276	27,276	4,165	31,441	27,276
POSITIONS BY FUND:										
GENERAL	0.0	0.0	0.0	20.5	20.5	0.0	0.0	31.0	31.0	0.0
FEDERAL	365.0	377.3	377.3	0.0	377.3	377.3	377.3	0.0	377.3	377.3

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : JOBS & TRAINING
PROGRAM : REHABILITATION SERVICES
BUDGET ACTIVITY : VOCATIONAL REHAB SERVICES

POSITIONS BY FUND:	FY 1988	FY 1989	F.Y. 1990			GOVERNOR'S RECOMM.	F.Y. 1991			GOVERNOR'S RECOMM.
			AGENCY REQUEST				AGENCY REQUEST			
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
TOTAL POSITIONS	365.0	377.3	377.3	20.5	397.8	377.3	377.3	31.0	408.3	377.3

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: VOCATIONAL REHABILITATION SERVICES
 PROGRAM: REHABILITATION SERVICES
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

REQUEST TITLE: SERVICES FOR POPULATIONS WITH SEVERE DISABILITY AND REDUCTION IN CASELOAD SIZE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$3,042	20.5	\$4,165	31.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

This activity requests funds for 31.0 additional staff, and case service budgets for those positions. The objective is to increase the activity's capacity to respond to the new and unique rehabilitation needs of individuals with severe disabilities by developing innovative services; including school to work transition plans, services to prepare people for supported employment, rehabilitation technology, and job placement services. These services require substantially more counselor time, and are more expensive, than the traditional rehabilitation services provided by the activity.

EFFECTIVENESS MEASURES:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Individuals with disabilities successfully employed	3,662	3,650	3,970	4,170
Success rate	62%	63%	65%	67%
Individuals with supported employment plans	800	900	1,892	2,395
Individuals in planning:				
school transition	4,911	4,960	5,903	6,521
mental health	1,900	1,919	2,520	2,820
traumatic brain injury	510	515	758	855
% of persons with severe disabilities	60%	61%	64%	67%
Average caseload size per counselor	136	134	124	115

DESCRIPTION/BACKGROUND:

The demand for specialized rehabilitation services is increasing substantially, and more counselors are required to meet the need. Students with severe disabilities typically require earlier and more long term involvement with counselors in the transition from school to work; individuals with severe disabilities capable of community integration through supported employment need more costly upfront training; persons with serious and persistent mental illness need a comprehensive and coordinated array of services that combine social services with vocational rehabilitation; individuals with traumatic brain injuries need highly individualized and intensive services; and American Indians living on reservations need an array of services not currently readily available to them in their home communities. Greater rehabilitation efforts with these populations benefit individuals with disabilities, taxpayers, and employers. There has been no increase in state support for this activity during the past 6 years.

RATIONALE:

Individuals with severe disabilities can achieve meaningful employment when they have sufficient access to trained rehabilitation counselors, and counselors have sufficient time to develop appropriate resources and placement options. Successful employment for persons in these emerging populations will require: a) caseload size be reduced to an average of 115 clients per counselor this biennium, with the long-term goal of reaching an optimal caseload size of 100. This will enable counselors to have sufficient time to work with individuals and their advocates so that realistic vocational goals are developed, rehabilitation programs utilizing job coaching, rehabilitation technology and other innovative strategies are implemented, and job stability is achieved and maintained; and b) counselors will need sufficient case service funds to provide the above services.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 6,005	\$ 6,009	\$ 6,007	\$ 6,007
Federal Fund	19,073	21,269	21,269	21,269
Total	\$ 25,078	\$ 27,276	\$ 27,276	\$ 27,276

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	TOTAL
General Fund	\$ 4,165	\$ 4,165	\$8,330

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

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ACTIVITY: INDEPENDENT LIVING SERVICES
 (Continuation)
 Program: REHABILITATION SERVICES
 Agency: JOBS AND TRAINING, DEPARTMENT OF

1990-91 Biennial Budget

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Individuals with severe disabilities served by Part B: Centers for Independent Living	2,428	3,171	3,330	3,497
Individuals receiving:				
- peer counseling	827	910	928	947
- skills training	1,500	1,650	1,683	1,717
- individual advocacy	1,300	1,430	1,459	1,488
- group services	1,984	2,182	2,226	2,271
- information and referral	2,102	2,312	2,358	2,405
- attendant care assistance	538	592	650	715
- housing development	125	138	152	167
- transportation	30	35	39	43
- equipment services	827	910	928	947
- other services	1,653	1,818	1,854	1,891

(Dollars in Thousands)

GRANTS BY FUND:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General	\$ 232	\$ 473	\$ 465	\$ 465
Federal	355	363	363	363
Total	\$ 587	\$ 836	\$ 828	\$ 828

EXPLANATION OF BUDGET REQUEST:

Centers will expand their capacity to serve persons with severe disabilities by:

1. developing services for new and underserved populations,
2. establishing 6 new branch offices in an outlying county of each existing Center's catchment area, and
3. strengthening the base of operations so that Centers are able to assist those in need and also comply with Minnesota Statutes.

Three new Centers are also being requested. Even though 1 new Center and 5 branch offices were funded in 1988, a statewide network of independent living services has yet to be established. The addition staff positions will allow the agency to complement, support and evaluate Center delivered services.

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1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : JOBS & TRAINING
PROGRAM : REHABILITATION SERVICES
BUDGET ACTIVITY : INDEPEND LIVING SERVICES

EXPENDITURES:	F.Y. 1990						F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
DETAIL BY CATEGORY:											
STATE OPERATIONS:											
PERSONAL SERVICES	0	0	0	258	258	0	0	258	258	0	
EXPENSES/CONTRACTUAL SRVCS	21	23	23	27	50	23	23	27	50	23	
MISC OPERATING EXPENSES	6	12	12	0	12	12	12	0	12	12	
SUPPLIES/MATERIALS/PARTS	0	3	3	0	3	3	3	0	3	3	
STATE OPERATIONS	27	38	38	285	323	38	38	285	323	38	
AIDS TO INDIVIDUALS	115	74	74	100	174	74	74	100	174	74	
LOCAL ASSISTANCE	587	836	828	1,425	2,253	1,016	828	1,425	2,253	1,016	
TOTAL EXPENDITURES	729	948	940	1,810	2,750	1,128	940	1,810	2,750	1,128	
CHANGE REQUESTS:											
FUND											
B STATEWIDE INDEPENDENT LIVING			1,810			188		1,810			188
TOTAL CHANGE REQUESTS			1,810			188		1,810			188
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	232	473	465	1,810	2,275	653	465	1,810	2,275	653	
STATUTORY APPROPRIATIONS:											
FEDERAL	497	475	475	0	475	475	475	0	475	475	
TOTAL FINANCING	729	948	940	1,810	2,750	1,128	940	1,810	2,750	1,128	
POSITIONS BY FUND:											
GENERAL	0.0	0.0	0.0	8.0	8.0	0.0	0.0	8.0	8.0	0.0	
TOTAL POSITIONS	0.0	0.0	0.0	8.0	8.0	0.0	0.0	8.0	8.0	0.0	

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: INDEPENDENT LIVING SERVICES
 PROGRAM: REHABILITATION SERVICES
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

REQUEST TITLE: ASSURE STATEWIDE INDEPENDENT LIVING SERVICES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$1,810	8.0	\$1,810	8.0
Governor's Recommendation				
General Fund	\$ 188	-0-	\$ 188	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests funds to assure the statewide availability of Independent Living by: 1) developing services for new and underserved populations of all ages such as individuals with severe and multiple physical disabilities, serious and persistent mental impairments, and traumatic brain injury; and individuals with disabilities from minority groups, 2) establishing 6 new branch offices in an outlying county of each existing Center's catchment area, 3) strengthening the base of operations so that Centers are able to assist those in need and also comply with Minnesota Statutes, 4) establishing three new Centers, and 5) increasing Independent Living liaison staff and administrative support for this activity.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Individuals attaining a more independent life style through:				
- Part A: Field Coordinators	16	100	200	266
- Part B: Centers for Independent Living	594	857	1,260	1,550
Centers meeting state certification standards	6	6	9	9

DESCRIPTION/BACKGROUND:

Independent Living has undergone an evolution from conceptualization and legislative legitimization of the concept, to the stage of resource allocation and the beginning of widespread implementation. The elements of Independent Living service philosophy include consumer control of policy

direction and management of the Centers for Independent Living, consumer control of the development of individual Independent Living service objectives and services, self-help and self-advocacy, equal access to society for individuals with disabilities, equal access to programs and physical facilities, development of peer relationship and peer models, and meeting the specific Independent Living needs of the local community.

Responsibility for these service delivery elements are shared by the Centers and field liaison coordinators in a nonduplicative and complementary fashion. It has been estimated that 81,000 persons in Minnesota are severely disabled. To date, both parts of this activity have served approximately 11,000 persons with at least 2,500 of them attaining a significantly more independent life style. A substantial number of others can also benefit from Independent Living services. Between 1981 and 1988, 6 centers for Independent Living have been established. Currently, the 6 existing Centers effectively serve persons in the county nearest each center or its branch office. The independent living needs assessment study conducted in 1986 identifies the unmet needs for Independent Living services especially in the rural counties surrounding the Centers.

The centers currently can provide services to persons in 50 counties. The study recommends that the system of centers be expanded by the establishment of new centers and additional branch offices of existing centers so that persons in all 87 counties have formal programs of services available to them. Even though 1 new additional center and 5 branch offices were funded and established in state F.Y. 1989, the centers often operate on meager budgets with little funding available for program development and service delivery. Adequate staff and travel funds are necessary to serve all counties within each Center's catchment areas. Additional staff are also necessary to serve the varying needs of emerging populations. The existing Centers are nearing capacity and yet demand is increasing in both the scope of services and in the number of individuals requesting service.

The study also recommended that the Rehabilitation Services program expand its relationship with the Centers by establishing liaison coordinators in each region who would work closely with center staff and have the flexibility of assisting individuals with Independent Living related services and vocational rehabilitation services when appropriate. These staff will also improve the relationship and awareness of Independent Living for all field staff so that individuals with severe disabilities are routinely assessed regarding their Independent Living needs upon referral and before case closure.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Individuals with severe disabilities served by Part A: Field Coordinators	162	165	300	400
Individuals with severe disabilities served by Part B: Centers for Independent Living	2,428	3,171	4,200	4,700

RATIONALE:

Six branch offices, the expansion of services to new and underserved populations, and funding to strengthen the base of operations for the 6 existing Centers as well as the addition of 3 new Centers will assure the availab-

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget
 (Continuation)

ACTIVITY: INDEPENDENT LIVING SERVICES
 PROGRAM: REHABILITATION SERVICES
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

ility of statewide access to Independent Living services. Persons with severe disabilities often require fewer governmental benefits such as nursing home care payments as a result of Independent Living services. New and underserved populations are also demanding and can benefit from services. Attempts have been made by the 6 centers to access other public and private funds, but additional staff, office space, travel and program development funds will not continue since the sources of these funds are most often unrenewable grants. Budgets remain strained and widespread availability of Independent Living services even within the 50 counties served by the centers has not been achieved. Minnesota Statutes specify that the centers provide a combination of Independent Living services to assist persons with disabilities to achieve independence. Currently, there is insufficient funding to deliver these mandated services and also meet the increasing demand for services from new populations. Continued capacity building is needed to establish a statewide network of service by the end of the F.Y. 1990-91 biennium.

Additional Independent Living liaison and administrative staff will enhance the agency's ability to complement, support and evaluate this growing activity. Independent Living Coordinators and the Centers will target the smaller percentage of persons with severe and multiple disabilities in 6 regions of the state who cannot participate in community activities or even leave their homes without a complex array of Independent Living services. The centers will continue as the primary service provider for people in need of Independent Living services and coordination between the Rehabilitation Services program and the centers will be enhanced. Centers also provide information and referral services to non-disabled persons, and develop community support for Independent Living.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an increase of \$376,000 for the biennium to fund branch offices of existing independent Living Centers to expand services to currently unserved areas. This increase should be matched with private funding where possible to maximize the number of clients served in those areas.

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 Rev. 1-12-89 a.m.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 232	\$ 473	\$ 465	\$ 465
Federal Fund	497	475	475	475
Total	\$ 729	\$ 948	\$ 940	\$ 940

LONG-RANGE FUNDING IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	TOTAL
General Fund	\$ 1,810	\$ 1,810	\$3,620

ACTIVITY: CLIENT SERVICES INNOVATION
Program: REHABILITATION SERVICES
Agency: JOBS AND TRAINING, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

The field of rehabilitation services is rapidly changing and it is important to have the capacity to be proactive in developing and implementing various service models. Changes in rehabilitation technology, advances in medical treatment and the ability to serve a growing number of persons formerly too severely disabled to be placed who can now benefit from supported employment and other vocational rehabilitation services, necessitates continued experimentation with revised service delivery strategies. The agency has actively sought other sources of funds for the purpose of innovative projects which would not be possible using basic federal vocational rehabilitation funds.

OBJECTIVES:

For the 1990-91 biennium, the agency has identified the following objectives for this activity: 1) serving persons with various handicapping conditions who represent the full range of severity of disability, 2) maximum utilization of rehabilitation technology to enhance both employment and independent living outcomes, 3) full integration of supported employment as a major program emphasis, 4) expanded and strengthened efforts to enhance employer involvement in rehabilitation programs, 5) strengthening the rehabilitation role in the transition of students with disabilities from school-to-work and community living, and 6) providing for quality services outcomes in all program activities.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Innovative supported employment projects				
- community planning	6	11	6	6
- technical assistance	2	2	2	2
- research for persons with Traumatic brain injury	2	2	2	0
PWI/Business Advisory Councils established	3	5	6	6
Independent Living Projects	0	3	5	5
Other innovative training, job placement, rehab tech or research projects	0	5	8	8

RESULTS:

In the 1988-89 biennium, this activity has accomplished the following results:

1) **Supported Employment** - The lead agency role for the Minnesota Supported Employment Project (MNSEP) was continued. This project's 5 year mission is to increase the diversity, quantity and quality of paid, integrated work opportunities for persons with severe disabilities, and to improve their quality of life as measured by integration and productivity. The department in collaboration with the Department of Human Services, Developmental Disabilities and Mental Health Divisions, and the Department

of Education, Unique Learner's Section, have planned and implemented several policy changes within and among the 3 state agencies and have conducted several MNSEP grant activities since October, 1985 that have accomplished significant system changes in the following areas: consumer and parent participation, local service delivery development, case management improvements, work availability and employer incentives, time limited and on-going funding arrangements, statute and rule changes, information systems development, evaluation, and administrative structure and management modifications. MNSEP has been committed to involving all stakeholders in project deliberations. MNSEP's 3 staff facilitate these interagency efforts and oversee grant projects such as parent training to assure access to supported employment services, the availability of training and technical assistance for providers of supported employment services, and community planning and development grants to convert and expand day and vocational services to supported employment.

2) **Employer Initiatives** - In SFY 88, our Agency was one of 2 state agencies in the country awarded a federal Project with Industry (PWI). It's mission is to carry out the commitment of the Rehabilitation Services program to provide transition from school to work services by improving job opportunities in rural Minnesota for students with severe disabilities. The key element of these local projects is the establishment of, and continued support to, Business Advisory Councils that advise project and agency staff, and develop job opportunities for students leaving local schools. In addition to job development activities that will expand competitive employment opportunities in their communities, the 6 PWI staff also coordinate the training and placement services for students with severe disabilities for the Rehabilitation Services program, the local schools and employers. As a result of PWI services, the goal is to increase by 45% over the 3 years of the project the number of students with severe disabilities placed in competitive employment by the Rehabilitation Services program.

3) **Traumatic Brain Injury Initiatives** - In SFY 88, the Agency was awarded a federal Research Grant to serve persons with traumatic brain injury (TBI). In cooperation with the National Head Injury Foundation-Minnesota Association, and representatives of 2 MN rehab facilities, Opportunity Workshop and Interstate Rehabilitation Center, this project through its 2/3 staff will conduct research on best employment service and placement models for persons with traumatic brain injury. This 3 year project will also train job coaches to assist these persons at supported employment work sites, identify potential sources and types of on-going funding sources so that these persons stay employed, and collect data necessary to conduct an evaluation of the cost-effectiveness of the services.

4) **Demonstration and Innovation** - In SFY 89, the Agency granted several demonstration projects using Social Security funds to enhance vocational rehabilitation and independent living services or provide training, technical assistance, rehab technology and research support. Three grants were awarded statewide to add part-time peer counselors, establish a deaf refugee education program and coordinate with community education to design information workshops for independent living. Other innovative projects include development of TBI survivor and family support groups, job development and training for persons with learning disabilities, development of special curriculum for persons with severe physical disabilities so they can use computer aided design (CAD) training programs in the workplace, home-based instruction in data processing and job

ACTIVITY: CLIENT SERVICES INNOVATION
(Continuation)

1990-91 Biennial Budget

Program: REHABILITATION SERVICES

Agency: JOBS AND TRAINING, DEPARTMENT OF

placement for persons with severe disabilities, establishment of TBI case managers, development of psycho-social programs for persons with serious and persistent mental illness and research regarding effective supported employment technologies. Social Security funds were also used to supplement MNSEP funds directed at training and technical assistance for providers of supported employment services.

Future innovative demonstration projects depend on the continued availability of federal funds. Some activities may include a combination of aids to individuals and temporary staff positions for the duration of the project.

GRANTS AND AIDS:

Statutory Reference: M.S. 1982, Ch.129A, Sec. 3 (1985 Supp) and P.L. 98-221. Local Assistance: Rehabilitation Facilities, Developmental Achievement Centers, Technical Institutes, Local School Districts, the University of Minnesota and other non-profit organizations are funded to carry out innovative projects that focus on community planning, job training and placement, research, rehabilitation technology, parent and peer training, independent living, and other training and technical assistance activities.

ACTIVITY STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Average project funding:				
- MNSEP community grants	\$ 34,100	\$ 23,700	\$ 30,000	\$ 30,000
- TBI research grant	15,900	21,300	21,300	5,300
- other innovative grants	0	47,300	48,000	48,000

GRANTS BY FUND:

	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Federal Fund	\$ 266	\$ 1,339	\$ 1,047	\$ 797
Total	\$ 266	\$ 1,339	\$ 1,047	\$ 797

EXPLANATION OF BUDGET REQUEST:

No state funding is requested for this activity.

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1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : JOBS & TRAINING
PROGRAM : REHABILITATION SERVICES
BUDGET ACTIVITY : CLIENT SERVICES INNOVATION

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	251	482	385	0	385	385	385	0	385	385
EXPENSES/CONTRACTUAL SRVCS	74	110	78	0	78	78	78	0	78	78
MISC OPERATING EXPENSES	20	42	32	0	32	32	32	0	32	32
SUPPLIES/MATERIALS/PARTS	5	4	4	0	4	4	4	0	4	4
CAPITAL EQUIPMENT	1	53	13	0	13	13	13	0	13	13
STATE OPERATIONS	351	691	512	0	512	512	512	0	512	512
AIDS TO INDIVIDUALS	0	400	300	0	300	300	150	0	150	150
LOCAL ASSISTANCE	266	939	747	0	747	747	647	0	647	647
TOTAL EXPENDITURES	617	2,030	1,559	0	1,559	1,559	1,309	0	1,309	1,309
SOURCES OF FINANCING:										
STATUTORY APPROPRIATIONS:										
FEDERAL	579	1,948	1,499	0	1,499	1,499	1,249	0	1,249	1,249
GIFTS AND DEPOSITS	38	82	60	0	60	60	60	0	60	60
TOTAL FINANCING	617	2,030	1,559	0	1,559	1,559	1,309	0	1,309	1,309
POSITIONS BY FUND:										
FEDERAL	10.0	10.0	10.0	0.0	10.0	10.0	10.0	0.0	10.0	10.0
TOTAL POSITIONS	10.0	10.0	10.0	0.0	10.0	10.0	10.0	0.0	10.0	10.0

ACTIVITY: WORKERS' COMPENSATION
 Program: REHABILITATION SERVICES
 Agency: JOBS AND TRAINING, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

To increase the ability of work-injured employees to return to a suitable job. This activity is the only provider required by law to provide rehabilitation services to work injured employees when their employer denies responsibility for the injury. This activity serves 2 distinct groups of injured workers: 1) Non Qualified Employees: injured workers for whom the liability for the injury has not yet been established including (a) Denied Primary Liability: those injured workers whose liability has been denied by an insurance carrier, (b) Medical Causation: those alleging that a second injury was caused by the first work injury, which was denied by an insurance carrier, (c) Undetermined Cases: all other pending cases such as those who have been suspended from rehabilitation services or are awaiting a determination from the Department of Labor and Industry. 2) Qualified Employees: injured workers who qualify for rehabilitation services paid by the employer's insurance carriers or self-insured employers.

OBJECTIVES:

During the 1990-91 biennium, the main objective of this activity is to identify and serve unserved and underserved work-injured populations.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Non Qualified Employees returned to work	93	93	93	93
Qualified Employees returned to work	100	100	100	100
% of receivables reimbursed:				
Non Qualified Employees	44.6%	44.6%	44.6%	44.6%
Qualified Employees	87.8%	87.8%	87.8%	87.8%
Individuals with Denied Primary Liability not served	360	360	360	360

RESULTS:

In the 1988-89 biennium, this activity has attained a 15% increase in the number of injured workers successfully returned to employment. In 1989 this activity will return more dollars to the General Fund through reimbursements from the employers' insurance carriers for rehabilitation services provided to Qualified Employees. This will occur in part because of an increase in the fee charged for providing services from \$50 per hour to \$65 per hour and also because of efficiencies in the billing method.

	<u>(Dollars in Thousands)</u>			
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
<u>REVENUE:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Non-Dedicated	\$ 465	\$ 516	\$ 568	\$ 568

GRANTS AND AIDS:

Statutory Reference: M.S. 176.102 and 176.104 (1984) Aids to Individuals: Purchase of Client Services. Funds are used to purchase services from vendors that assist in rehabilitating Non QEs.

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of Non-Qualified Employees' plans initiated	261	261	261	261
No. of Qualified Employees' plans initiated	177	177	177	177

Funds returned to the

	<u>(Dollars in Thousands)</u>			
<u>General Fund:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Non-Qualified Employees	\$ 127	\$ 138	\$ 155	\$ 155
Qualified Employees	338	378	413	413

GRANTS BY FUND:

	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General	\$ 78	\$ 303	\$ 90	\$ 90
Total	\$ 78	\$ 303	\$ 90	\$ 90

EXPLANATION OF BUDGET REQUEST:

This CHANGE Request of \$400 in 1990 and \$410 in 1991 targets services: to 1) non-qualified employees and reduces the backlog of 360 injured workers now not being served; and 2) injured workers not afforded the opportunity to choose a public provider in some locations of the state. Additional funds will reduce caseload size because demands such as additional documentation requirements and the trend toward more frequent litigation require more counselor time per case.

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1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : JOBS & TRAINING
PROGRAM : REHABILITATION SERVICES
BUDGET ACTIVITY : WORKERS COMPENSATION

EXPENDITURES:	F.Y. 1990					F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST		GOVERNOR'S RECOMM.	AGENCY REQUEST		GOVERNOR'S RECOMM.		
			BASE	CHANGE		BASE	CHANGE			
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	1,080	1,002	1,052	320	1,372	1,052	1,052	320	1,372	1,052
EXPENSES/CONTRACTUAL SRVCS	105	136	136	0	136	136	136	0	136	136
MISC OPERATING EXPENSES	103	187	187	0	187	187	187	0	187	187
SUPPLIES/MATERIALS/PARTS	23	35	35	0	35	35	35	0	35	35
CAPITAL EQUIPMENT	2	5	5	0	5	5	5	0	5	5
STATE OPERATIONS	1,313	1,365	1,415	320	1,735	1,415	1,415	320	1,735	1,415
AIDS TO INDIVIDUALS	78	103	90	80	170	90	90	90	180	90
LOCAL ASSISTANCE	0	200	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	1,391	1,668	1,505	400	1,905	1,505	1,505	410	1,915	1,505
CHANGE REQUESTS:										
B NON-QE POPULATION/STATEWIDE ACCESS				400		0		410		0
TOTAL CHANGE REQUESTS				400		0		410		0
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,391	1,668	1,505	400	1,905	1,505	1,505	410	1,915	1,505
TOTAL FINANCING	1,391	1,668	1,505	400	1,905	1,505	1,505	410	1,915	1,505
POSITIONS BY FUND:										
GENERAL	31.0	31.0	31.0	11.0	42.0	31.0	31.0	11.0	42.0	31.0
TOTAL POSITIONS	31.0	31.0	31.0	11.0	42.0	31.0	31.0	11.0	42.0	31.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: WORKERS' COMPENSATION
 PROGRAM: REHABILITATION SERVICES
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

REQUEST TITLE: FUNDS TO SERVE GROWING NON QUALIFIED EMPLOYEE POPULATIONS AND ASSURE STATEWIDE ACCESS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 400	11.0	\$ 410	11.0

Governor's Recommendation

General Fund	\$ -0-	-0-	\$ -0-	-0-
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Request requires statutory change: _____ Yes x No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

This activity requests funds and positions to serve growing mandatory Non Qualified Employee populations and to assure statewide access to services for injured workers.

EFFECTIVENESS MEASURES:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Non Qualified Employees returned to work	93	93	123	123
Qualified Employees returned to work	100	100	136	136
% of receivables reimbursed:				
Non Qualified Employees	44.6%	44.6%	67.5%	67.5%
Qualified Employees	87.8%	87.8%	94.4%	94.4%

DESCRIPTION/BACKGROUND:

When the employer denies responsibility for a worker's injury, the worker is automatically referred to this activity for early rehabilitation services. Increasing referrals from the Department of Labor and Industry are becoming a burden for existing large caseloads. Adequate funding is needed to meet the activity's statutory obligations to provide timely rehabilitation services to injured workers. Currently, there is a backlog of approximately 360 persons referred by the Department of Labor and Industry to whom this activity is not able to respond. The caseload size currently averages 66 injured workers per Qualified Rehabilitation Consultant, the long-term goal for this activity is 45. An optimal caseload size of 45 is necessary because of extensive documentation required by the Department of Labor and Industry and the

increasing trend for litigation in these cases. Minnesota law stipulates that all injured workers should have the right to select the Qualified Rehabilitation Consultant of their choice to obtain efficient, reliable rehabilitation services. Due to lack of funds, this activity has not been able to provide the range of rehabilitation services to Non QE or QE injured workers on a statewide basis.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Non Qualified Employees plans initiated	261	261	351	351
Qualified Employees plans initiated	177	177	237	237

Funds returned to the General Fund	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
	\$ 465	\$ 516	\$ 731	\$ 731

RATIONALE:

We are the only provider required by law to serve injured workers when their employer denies responsibility for the injury. The law further stipulates that all injured workers have the right to select the Qualified Rehabilitation Consultants of their choice to obtain quality rehabilitation services. Due to the lack of funds, this activity has not been able to fulfill its statutory obligations to all injured workers requesting rehabilitation services. The funds requested will allow these additional injured workers to avoid reliance on the welfare system and reduce the potential costs to the insurer/employers by improving early opportunities to return to work. Funds requested are also intended to assure statewide access to services for injured workers, and to reduce the caseload size.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 1,391	\$ 1,668	\$ 1,505	\$ 1,505

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	TOTAL
General Fund	\$ 410	\$ 410	\$ 820

GOVERNOR'S RECOMMENDATION:

The Governor does not support the agency's request for this item. Instead, to the extent necessary to adequately serve and reduce backlogs of non-qualified employees, the department should redirect staff resources away from Qualified Employees (QE's).

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ACTIVITY: EXTENDED EMPLOYMENT
 Program: REHABILITATION SERVICES
 Agency: JOBS AND TRAINING, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

To maximize the vocational potential of individuals with severe disabilities by providing opportunities for appropriate work in the most enabling environment.

This activity provides policy direction and financial support to private, nonprofit or governmental Rehabilitation Facilities and Developmental Achievement Centers which provide ongoing support services enabling persons with severe disabilities to work in the most integrated community setting possible.

These organizations provide Extended Employment services at work sites in the community or within Rehabilitation Facilities or Developmental Achievement Centers. This activity also funds a project to promote self-advocacy for workers in supported employment programs in Developmental Achievement Centers and Regional Treatment Centers.

The agency will allocate funds by subprogram in accordance with state rules; projections by subprogram are:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
% Community-based employment	25	32	35	38
% Long-term employment	50	46	44	42
% Work Activity	22	20	19	18
% Work Component	3	2	2	2

Community-based employment activities are consistent with the federal/state supported employment initiative. Both provide paid work in regular jobs in the community with ongoing support.

State funding makes up only 22% of the Rehabilitation Facilities' Extended Employment total budgets. A higher level of public support is required for community-based employment programs.

OBJECTIVES:

For the 1990-91 biennium, the agency has identified the following objectives for this activity:

1. Expand the community-based employment subprogram to serve an additional 1800 individuals with the more severe disabilities most of whom are not now working in any vocational or adult day program;
2. Enhance the quality of services provided to Extended Employment workers in the community-based employment subprogram by increasing integration through more individual work sites in the community that provide more hours of work;
3. Increase the public funding per full-time equivalent so that higher levels of support needed for quality services can be delivered to individuals in community-based employment; and
4. Provide the ongoing support services needed to maintain community-based employment for individuals with the more severe disabilities, in coordination with the Vocational Rehabilitation activity and other agencies able

to provide the time-limited services.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Individuals moving into competitive employment	329	360	390	420
Individuals working primarily in community-based employment	2,202	2,674	2,808	2,948
Individuals spending some portion of their day in community-based employment	1,158	1,406	1,156	1,070
Total work hours in community-based employment (000's)	1,603	1,947	2,044	2,146
Average number of hours worked weekly by individuals in community-based employment	9	9	10	10
Persons in self-advocacy training/leadership activities	18	24	32	32

RESULTS:

The services provided through this activity have changed markedly in the past 5 years. The major focus is to put individuals with severe disabilities on jobs in the community rather than to work at Rehabilitation Facilities. The number of persons with severe disabilities working some portion of their day in community-based employment settings has increased significantly from 260 individuals in 1983 to 3,360 by 1988, which represents 43% of all individuals employed through the Extended Employment activity.

This change in focus was brought about by the implementation of an effective performance-based funding system. The success of this activity in getting individuals with severe disabilities to work in community-based employment has resulted in a demand for services that far exceeds its present capacity.

The majority of individuals who work through the Extended Employment activity are those with developmental disabilities. Efforts were made to improve services to individuals with serious and persistent mental illness. The participation in the Extended Employment activity by individuals with serious and persistent mental illness increased by 12% from F.Y. 1987 to F.Y. 1988. We anticipate a continuing increase in the participation of individuals with serious and persistent mental illness, traumatic brain injury and severe physical disabilities, particularly in the community-based employment subprogram over the next biennium.

This biennium a project to empower additional workers in community-based supported employment programs in Developmental Achievement Centers and Regional Treatment Centers was started. The model of self-advocacy advisory committees currently used in Extended Employment subprograms was replicated. Employees now participating in these committees are training the workers in the Development Achievement Centers and Regional Treatment Centers.

We have coordinated this activity with the Department of Human Services, Mental Health Division, to ensure no duplication exists between the 2 departments and to assist counties in obtaining quality vocational services for their clientele. These cooperative efforts will continue.

ACTIVITY: EXTENDED EMPLOYMENT
 (Continuation)
 Program: REHABILITATION SERVICES
 Agency: JOBS AND TRAINING, DEPARTMENT OF

1990-91 Biennial Budget

GRANTS AND AIDS:

Statutory Reference: M.S. 129A

Local Assistance:

Rehabilitation Facilities, Developmental Achievement Centers, State Regional Centers and other non-profit organizations are funded to support individuals at work sites in the community or in-house. Applications for state funding are submitted and allocations determined in accordance with State Rule 3300.1950-3300.3050.

- Increase the level of integration in the community through individual work sites offering more hours of work.

BASE LEVEL REVIEW:

A BASE level review has been completed on the community-based employment subprogram. This review is a separate submission to the legislature.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Individuals working primarily in:				
Community-based employment	2,202	2,674	2,808	2,948
Long-term employment	2,828	2,718	2,533	2,443
Work activity	1,641	1,518	1,414	1,364
Work component	1,223	1,144	1,089	1,051
Full-time Equivalents provided by:				
Community-based employment	1,072	1,302	1,367	1,435
Long-term employment	2,263	2,175	2,027	1,955
Work activity	1,415	1,309	1,219	1,176
Work component	621	581	553	534
Supported Employment self-advocacy committees in DAC/RTC	3	6	10	10
State subsidy to Extended Employment program's total budget	22%	22%	22%	22%

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GRANTS BY FUND:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General	\$ 9,201	\$ 9,401	\$ 9,252	\$ 9,252
Federal	-0-	-0-	-0-	-0-
Total	\$ 9,201	\$ 9,401	\$ 9,252	\$ 9,252

EXPLANATION OF BUDGET REQUEST:

The demand for community-based employment exceeds the capacity of the Extended Employment activity to respond with the current level of funding. The CHANGE request of \$2,176 for 1990 and \$3,327 for 1991 would:

- Provide community-based employment for an additional 1,800 individuals most of whom are not now working in any vocational or adult day program;
- Raise the level of public funding to the community-based employment subprogram so that Rehabilitation Facilities can provide the job coaching and support services needed to maintain individuals with the more severe disabilities in their jobs; and

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : JOBS & TRAINING
PROGRAM : REHABILITATION SERVICES
BUDGET ACTIVITY : EXTENDED EMPLOYMENT

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	180	183	187	0	187	187	187	0	187	187
EXPENSES/CONTRACTUAL SRVCS	66	36	36	0	36	36	36	0	36	36
MISC OPERATING EXPENSES	7	7	7	0	7	7	7	0	7	7
SUPPLIES/MATERIALS/PARTS	2	2	2	0	2	2	2	0	2	2
STATE OPERATIONS	255	228	232	0	232	232	232	0	232	232
LOCAL ASSISTANCE	9,201	9,401	9,252	2,176	11,428	9,652	9,252	3,327	12,579	9,652
TOTAL EXPENDITURES	9,456	9,629	9,484	2,176	11,660	9,884	9,484	3,327	12,811	9,884
CHANGE REQUESTS:										
	FUND									
B INTEGRATED COMMUNITY SETTINGS	GEN									
				2,176		400		3,327		400
TOTAL CHANGE REQUESTS				2,176		400		3,327		400
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	9,456	9,629	9,484	2,176	11,660	9,884	9,484	3,327	12,811	9,884
TOTAL FINANCING	9,456	9,629	9,484	2,176	11,660	9,884	9,484	3,327	12,811	9,884
POSITIONS BY FUND:										
GENERAL	4.0	4.0	4.0	0.0	4.0	4.0	4.0	0.0	4.0	4.0
TOTAL POSITIONS	4.0	4.0	4.0	0.0	4.0	4.0	4.0	0.0	4.0	4.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: EXTENDED EMPLOYMENT
 PROGRAM: REHABILITATION SERVICES
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

REQUEST TITLE: PUTTING MORE PEOPLE TO WORK IN INTEGRATED COMMUNITY SETTINGS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$2,176	-0-	\$3,327	-0-

Governor's Recommendation

General Fund	\$ 400	-0-	\$ 400	-0-
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Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

With this request the agency intends to: 1) Increase the level of integration in the community for all Extended Employment workers by developing more individual work sites; 2) Provide Community-Based Employment to an additional 1,800 individuals through the creation of 720 new full-time equivalents; 3) Increase by 20% the number of hours individuals in Community-Based Employment work; and 4) Allow for greater levels of job coaching support by (a) funding 360 new full-time equivalents each year of the biennium at an average value of \$3,200 and (b) increasing the value for current full-time equivalents from an average of \$2,414 to an average of \$3,200 in accordance with the allocation rules.

EFFECTIVENESS MEASURES:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Individuals working primarily in community-based employment	2,202	2,674	3,708	4,748
% of all Extended Employment workers in community-based employment	43%	51%	56%	60%
Average number of hours worked weekly by individuals in community-based employment	9	9	10	11

DESCRIPTION/BACKGROUND:

At least 10,000 individuals with severe disabilities in Minnesota need and want employment in the community according to the report of the Legislative Task Force on Supported Employment. This count includes more than: 5,000 students with severe disabilities who are preparing to make the transition from school to work; 4,000 individuals with serious and persistent mental

illness; 400 individuals with traumatic brain injury; and an estimated 1,000 individuals on waiting lists for community-based employment. With the exception of those individuals on community-based employment waiting lists who may be working in in-house programs, these individuals are not now working in any vocational or adult day program. We intend to provide Community-Based Employment to 1,800 individuals from these target groups.

RATIONALE:

Public policy affirms that all people have a right to live and work in their community. Individuals with the more severe disabilities not currently served need increased access to job opportunities and adequate supports to maintain employment once a job is developed for them. This increased demand for community-based employment services exceeds the current funding capacity of the Extended Employment activity.

On average 60-65% of the costs of the Long Term Employment, Work Activity, and Work Component subprograms are offset by production income. This type of additional income is significantly lower for the Community-Based Employment subprogram and is not available when individual work sites are used. Individually developed work sites offer the best level of integration for persons with severe disabilities but these sites require greater staffing ratios so that the necessary levels of job development, job coaching and follow-up services are provided to both the employee and the employer.

Providers of community-based employment need an increase in public funding to serve more individuals. Providers also need more public funds to assure that all those served find meaningful jobs in the community and are provided the ongoing job coaching and staff support necessary for them to maintain their jobs. The current providers of community-based employment have the professional and technical competence to expand and improve their services and their communities are requesting it be done.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 9,456	\$ 9,629	\$ 9,484	\$ 9,484

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	TOTAL
General Fund	\$ 3,327	\$ 3,327	\$6,654

GOVERNOR'S RECOMMENDATION:

The Governor recommends an increase of \$800,000 for the biennium to replace lost base funding and provide some increase. Furthermore, the department should continue to gradually reallocate base funding in this activity so that 50% of the total clients of this activity are served in supported employment by the end of the 1990-91 biennium.

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ACTIVITY: DISABILITY DETERMINATION SERVICES **1990-91 Biennial Budget**
Program: REHABILITATION SERVICES
Agency: JOBS AND TRAINING, DEPARTMENT OF

PURPOSE:

In accordance with Social Security Administration regulations, this activity determines if Minnesotans claiming Social Security disability benefits meet the disability criteria for Social Security Disability Insurance and Supplemental Security Income benefits, and provides that information to the Social Security Administration. Claims to be adjudicated, and the criteria used in this process, are determined by the Social Security Administration.

This activity also refers those individuals who may benefit from vocational rehabilitation services to the Division of Rehabilitation Services, State Services for the Blind, and private rehabilitation agencies involved in demonstration projects with Social Security Administration. All Supplemental Security Income claimants under age 16 are referred to the Department of Health, Services for Children with Handicaps, for potential services.

All funding for this activity is provided by Social Security Administration and the amount is determined by the numbers and types of claims that the activity is expected to process, and the medical/vocational criteria under which decisions must be made.

OBJECTIVES:

During the 1990-91 biennium, the agency has identified the following objectives for this activity: 1) providing quality and timely service to those claimants we serve and, 2) providing these services in a cost effective manner. We are also committed to providing an environment for our staff which promotes productivity, efficiency, and job satisfaction.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Accuracy rate of claims decisions as measured by federal review	99%	99%	99%	99%
Average processing days: Social Security Disability Insurance claims	54	53	51	51
Supplemental Security Income claims	57	56	54	54

<u>WORKLOAD MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of claims adjudicated	36,403	35,296	35,296	35,296
% of allowed claims referred to rehabilitation agencies	11%	20%	20%	20%

RESULTS:

This activity has accomplished the following results: Since F.Y. 1986, we have reduced our claims processing time on Social Security Disability Insurance claims by 7 days and by 13 days for Supplemental Security Income claims. Our productivity regarding the number of adjudicated claims has

increased by 8% in F.Y. 1988 over the average of F.Y. 1986 and F.Y. 1987. We are the sixth most productive agency of the 52 Disability Determination Services nationwide. To improve the quality of service to the public, Disability Determination Services staff are providing joint state-wide training with the Department of Human Services to local Social Services agencies and advocates. The purpose of this training is to provide information on eligibility criteria and Social Security Administration documentation requirements for benefits, and to enable those agencies and individuals to appropriately refer clients to apply for disability benefits.

We are actively pursuing office automation to promote job satisfaction, improve efficiency and become more cost effective. Implementation of an on-line case management computer system in April, 1988 is saving our office \$5,000 a month over previous EDP costs. We plan to automate our consultative examination scheduling process by the end of C.Y. 1988 and to secure computer terminals for all staff during the next biennium.

GRANTS AND AIDS:

Statutory Reference: M.S. 1982, Chap. 129A, Sec.3.

Aids to Individuals: Purchased Services for Clients.

For each disability claim processed by Disability Determination Services, the activity secures necessary medical information to make the disability determination. Disability Determination Services makes payments, on behalf of the Social Security Administration, to physicians and medical facilities statewide who provide medical reports and/or, where necessary, conduct consultative medical examinations on claimants. Payments are also made to claimants to reimburse travel costs incurred to attend consultative medical examinations.

Payments to sources of medical evidence are made in accordance with Rehabilitation Services' fee schedules. Claimants' travel payments are based on state employee mileage reimbursement rates for use of a personal vehicle.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of medical providers performing consultative examinations	650	800	800	800

<u>GRANTS BY FUNDS:</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General	\$ 0	\$ 0	\$ 0	\$ 0
Federal	2,073	2,627	2,627	2,627
Total	\$ 2,073	\$ 2,627	\$ 2,627	\$ 2,627

EXPLANATION OF BUDGET REQUEST:

No state funding is requested for this activity.

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1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : JOBS & TRAINING
PROGRAM : REHABILITATION SERVICES
BUDGET ACTIVITY : DISABILITY DETERMINATION SV

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	4,313	4,508	4,508	0	4,508	4,508	4,508	0	4,508	4,508
EXPENSES/CONTRACTUAL SRVCS	1,474	2,037	1,576	0	1,576	1,576	1,576	0	1,576	1,576
MISC OPERATING EXPENSES	189	191	191	0	191	191	191	0	191	191
SUPPLIES/MATERIALS/PARTS	90	30	30	0	30	30	30	0	30	30
CAPITAL EQUIPMENT	56	628	100	0	100	100	100	0	100	100
REAL PROPERTY	9	0	0	0	0	0	0	0	0	0
REDISTRIBUTIONS	95	108	108	0	108	108	108	0	108	108
STATE OPERATIONS	6,226	7,502	6,513	0	6,513	6,513	6,513	0	6,513	6,513
AIDS TO INDIVIDUALS	2,073	2,627	2,627	0	2,627	2,627	2,627	0	2,627	2,627
TOTAL EXPENDITURES	8,299	10,129	9,140	0	9,140	9,140	9,140	0	9,140	9,140
SOURCES OF FINANCING:										
STATUTORY APPROPRIATIONS:										
FEDERAL	8,299	10,129	9,140	0	9,140	9,140	9,140	0	9,140	9,140
TOTAL FINANCING	8,299	10,129	9,140	0	9,140	9,140	9,140	0	9,140	9,140
POSITIONS BY FUND:										
FEDERAL	154.0	139.0	139.0	0.0	139.0	139.0	139.0	0.0	139.0	139.0
TOTAL POSITIONS	154.0	139.0	139.0	0.0	139.0	139.0	139.0	0.0	139.0	139.0

PROGRAM: SERVICES FOR THE BLIND
 Agency: JOBS AND TRAINING, DEPARTMENT OF

1990-91 Biennial Budget

PROGRAM PURPOSE:

To facilitate the achievement of vocational and personal independence by children and adults who are blind or visually handicapped through 3 major program activities: REHABILITATION SERVICES, BUSINESS ENTERPRISES AND COMMUNICATION CENTER.

REHABILITATION SERVICES - To provide direct rehabilitation services to persons of all ages who are blind or visually handicapped when their loss of vision causes a handicap to vocational, educational or personal independence. Services may include counseling, adjustment to blindness, vocational evaluation/training, job coaching and placement, alternative techniques for blindness such as travel training, braille, adaptive aids, and rehabilitative teaching for self care. Clients are served by the 11 field offices. This goal is facilitated through the following activities:

Vocational Rehabilitation to assist blind or visually handicapped clients achieve vocational independence.

Child Rehabilitation to provide counseling and training in skills needed for proper growth and development to blind and visually impaired children in school and institutions and their parents.

Independent Living 1) a federal demonstration grant for severely multiply handicapped blind children and adults to develop skills needed to function independently in their homes, acquire an appropriate education and become eligible for vocational rehabilitation services, and 2) a federal program to provide services to the severely disabled elderly blind to enable them to function independently in their homes and community.

Self Care to provide services to blind or visually handicapped Minnesotans age 55 and over to lessen their need for personal assistance in the areas of personal hygiene, grooming, eating, meal preparation for one-self, communicating or traveling.

BUSINESS ENTERPRISES creates small business franchise opportunities for blind persons receiving rehabilitation services and offers training in operating these businesses so the operators can function as independent contractors under a franchise agreement. The opportunities include operating lunchrooms, snack bars, gift/cigar shops, vendaterias and vending routes in federal, state, public and private buildings. The program staff provides on-going contract management and support services.

COMMUNICATION CENTER - A statewide specialized library, transcription and radio reading service available to eligible Minnesotans (anyone unable to read normal newsprint because of a visual or physical handicap). Eligible clients and educational institutions may borrow taped textbooks or leisure books, special phonographs, cassette players and closed-circuit radios. Master transcriptions (onto tape or into braille) of textbooks, books, job manuals and other printed materials are prepared for clients. Four hundred trained volunteers augment these efforts.

Program Changes:

Program changes since the last biennium include: 1) rule promulgation; 2) separation of statistics for the federally funded independent living program serving severely disabled elderly blind from the state-funded self care program; 3) change in focus of the Independent Living Project to serve severely disabled which impacts on numbers served; 4) policy shift at the federal level that state agencies may no longer be the direct recipient of a federal demonstration grant serving this population as an independent living center. Based on this redirection, a program initiative is part of the 1990-91 budget request; 5) the agency must submit a continuation grant application each year requesting continued federal funding for the federal and state funded programs serving severely disabled elderly blind. Federal funds have been secured through Federal F.Y. 1991, however, the program requests state appropriations to expand the service delivery to this population; 6) explosion in demand for braille and taped reading materials due to renewed emphasis on literacy e.g. Braille law, Independent Living projects and heightened consumer expectation; 7) implementation of a plan to increase the average net profit of blind vendors. One part of that plan involves closing and/or combining enterprises where low income has become a pattern. New enterprises currently continue to be developed, but over the short-term, there is expected to be a reduction in the total number of enterprises and correspondingly blind vendors.

GOALS AND OBJECTIVES:

The following goals to improve personal and vocational independence during the biennium are: 1) increasing labor force participation; 2) increasing the timeliness, responsiveness and accessibility of client services; 3) developing new strategies and public and private resources; 4) increasing community integration; 5) expanding public support among constituents; 6) initiating collaborative planning and service provision with programs sharing a common clientele; 7) developing cost containment strategies; and 8) providing an organizational structure and environment which promotes professional excellence, productivity and job satisfaction for staff.

RESULTS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
<u>REHABILITATION SERVICES</u>				
<u>Vocational Rehabilitation</u>				
No. of clients served	4,875	4,950	5,100	5,150
% severely disabled	90	90	90	90
No. gainfully employed	514	596	640	680
Average annual client earnings at closure:				
Competitive employment	\$12,200	\$12,800	\$13,400	\$14,000
Sheltered employment	\$3,000	\$3,000	\$3,200	\$3,400
Self employment	\$9,000	\$9,000	\$9,000	\$9,000
Business Enterprises	\$10,800	\$11,000	\$12,000	\$13,000
<u>Child Rehabilitation</u>				
No. of clients served	800	800	820	830
% severely disabled	80	80	80	80
<u>Independent Living Project</u>				
No. of clients served	110	50	0	0
% severely disabled	100	100	0	0

PROGRAM: SERVICES FOR THE BLIND
(Continuation)

1990-91 Biennial Budget

Agency: JOBS AND TRAINING, DEPARTMENT OF

RESULTS: (Cont.)	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
<u>Independent Living</u>				
No. of clients served	272	300	310	320
% severely disabled	97	97	97	97
No. of clients attaining more independent life style	35	40	42	44
<u>Self Care</u>				
No. of clients served	1,048	1,200	1,300	1,400
% severely disabled	95	95	95	95
No. of clients attaining more independent life style	250	275	300	325
<u>BUSINESS ENTERPRISES</u>				
No. of locations	88	90	85	85
No. of licensed operators	93	93	89	89
Program Sales	\$7,318,800	\$7,400,000	\$7,600,000	\$7,800,000
Operational charges	\$241,300	\$248,500	\$255,000	\$260,000
Average net profit of operators	\$18,600	\$19,200	\$19,600	\$20,200
<u>COMMUNICATION CENTER</u>				
No. of clients served	14,260	15,460	16,660	17,860
No. of book cassettes produced	72,875	75,000	78,000	80,000
Braille pages produced	568,300	580,800	590,000	620,000
No. of TB and RTB receivers distributed	16,553	18,208	20,400	23,000

GRANTS AND AIDS:

Aids to Individuals: Purchased Services for Clients

Statutory Reference: M.S. 248.07, Minnesota Rules Chapter 3321 and 3325, the Rehabilitation Act of 1973, as amended in 1986, P.L. 99-506, and the Randolph-Sheppard Act. Direct vocational rehabilitation services are provided to blind and visually handicapped persons with vocational handicaps who are eligible for services under Section 110 of the Rehabilitation Act of 1973 as amended and to children, elderly and multiply handicapped blind or visually impaired persons eligible for independent living services to enhance their ability to live and function independently in their family, home or community. Full consideration is given to similar benefits available from other agencies and client's financial need. Services are purchased when other resources are unavailable or insufficient.

Local Assistance: Grant to Local Vendors for Services

Statutory Reference: Rehabilitation Act of 1973, as amended in 1986, M.S. 248.07, Minnesota Rule Chapter 3325, and P.L. 93-112 S102 87 Stat. 369. a) St. Paul Schools - provides training, "Summer Work Experience Program" and "Natural Environment Training" program to eligible visually handicapped students including independent living skills, world of work orientation, career exploration, work evaluation/training, job search/placement, and supported employment training at community-based worksites. b) Academy for the Blind - provides a 8-week summer residential "Learning Independence through Experience" program which provides eligible visually handicapped

clients with travel and personal management training, recreation/leisure skills, home economics, and prevocational/vocational skills training in a structured work setting. c) Duluth Lighthouse - increases employment opportunities for blind workers in Duluth through the procurement of equipment and services to establish a new tissue production line and employ 15 blind production workers. d) Blindness: Learning In New Dimensions (BLIND), Inc. - establishes a 24 hour orientation/rehabilitation center to teach adjustment to blindness, independent travel, braille, listening skills, keyboarding, home management, hygiene, home mechanics, computer literacy and career exploration. e) United Blind - provides a Client Assistance/Legal Advocate Program for blind and visually handicapped clients. f) Mankato Rehabilitation Center, Inc. - provides group rehabilitation teaching services in the areas of activities of daily living, communication skills, cooking skills and housekeeping skills.

GRANTS BY FUND:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General	\$ 619	\$ 543	\$ 563	\$ 563
Federal	2,136	2,726	2,351	2,345
Total	\$ 2,755	\$ 3,269	\$ 2,914	\$ 2,908

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding is requested for this program except for the changes detailed below:

- \$209 and 3.0 positions each year to meet the needs of increasing numbers of severely disabled, elderly blind accessibility to independence.
- \$200 in F.Y. 1990 and \$300 in F.Y. 1991 to enable client access to jobs through enhanced rehabilitation technology services.
- \$122 and 5.5 positions in F.Y. 1990 and \$140 and 5.5 positions in F.Y. 1991 "that all may read".
- \$408 and 1.0 position in F.Y. 1990 and \$44 and 1.0 position in F.Y. 1991 for enhancing the agency's reasonable accommodation efforts and converting the agency's MIS system to be IBM and IRIS compatible.
- \$210 and 4.0 positions each year for enhancing the severely disabled, multihandicapped blind persons' accessibility to independence.

GOVERNOR'S RECOMMENDATION:

The Governor recommends BASE level funding of \$6,714,000 for this activity.

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1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : JOBS & TRAINING
PROGRAM : SERVICES FOR THE BLIND
BUDGET ACTIVITY : SERVICES FOR THE BLIND

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	4,412	4,495	4,607	316	4,923	4,607	4,585	378	4,963	4,585
EXPENSES/CONTRACTUAL SRVCS	862	785	680	0	680	680	730	0	730	730
MISC OPERATING EXPENSES	515	447	408	36	444	408	447	43	490	447
SUPPLIES/MATERIALS/PARTS	388	312	292	8	300	292	322	9	331	322
CAPITAL EQUIPMENT	234	239	211	373	584	211	239	3	242	239
REDISTRIBUTIONS	51	42	42	0	42	42	42	0	42	42

STATE OPERATIONS	6,462	6,320	6,240	733	6,973	6,240	6,365	433	6,798	6,365
AIDS TO INDIVIDUALS	2,294	2,790	2,520	416	2,936	2,520	2,764	470	3,234	2,764
LOCAL ASSISTANCE	461	479	394	0	394	394	144	0	144	144

TOTAL EXPENDITURES	9,217	9,589	9,154	1,149	10,303	9,154	9,273	903	10,176	9,273
CHANGE REQUESTS: FUND										
B ELDERLY BLIND ACCESSIBILITY				209		0		209		0
B CLIENT ACCESSIBILITY TO JOBS				200		0		300		0
B COMMUNICATION CENTER				122		0		140		0
B REASONABLE ACCOMMODATION/MIS				408		0		44		0
B MULTI-HANDICAPPED ACCESSIBILITY				210		0		210		0

TOTAL CHANGE REQUESTS				1,149		0		903		0
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	3,293	3,226	3,357	1,149	4,506	3,357	3,357	903	4,260	3,357
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	396	414	419	0	419	419	424	0	424	424
FEDERAL	5,524	5,889	5,318	0	5,318	5,318	5,432	0	5,432	5,432
GIFTS AND DEPOSITS	4	60	60	0	60	60	60	0	60	60

TOTAL FINANCING	9,217	9,589	9,154	1,149	10,303	9,154	9,273	903	10,176	9,273

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : JOBS & TRAINING
PROGRAM : SERVICES FOR THE BLIND
BUDGET ACTIVITY : SERVICES FOR THE BLIND

SOURCES OF FINANCING:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
POSITIONS BY FUND:										
GENERAL	65.5	65.5	65.5	13.5	79.0	65.5	65.5	13.5	79.0	65.5
SPECIAL REVENUE	1.0	1.0	1.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0
FEDERAL	80.4	77.0	77.0	0.0	77.0	77.0	77.0	0.0	77.0	77.0
TOTAL POSITIONS	146.9	143.5	143.5	13.5	157.0	143.5	143.5	13.5	157.0	143.5

CHANGE REQUEST _____ 1990-91 Biennial Budget
 _____ Agency _____ Program X Activity

ACTIVITY: SERVICES FOR THE BLIND

PROGRAM:

AGENCY: JOBS AND TRAINING, DEPARTMENT OF

REQUEST TITLE: ELDERLY BLIND ACCESSIBILITY TO INDEPENDENCE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 209	3.0	\$ 209	3.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests funds and positions to provide expanded professional and peer independent living rehabilitation services to the increasing number of severely disabled elderly blind and visually handicapped. The goal is to enable these blind adults to live independently in their own community, thus avoiding unnecessary institutionalization and dependency.

EFFECTIVENESS MEASURES:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. Elderly blind attaining more independent lifestyle	270	274	542	548
No. Hours peer counseling service	500	1,200	2,000	2,000

DESCRIPTION/BACKGROUND:

Minnesotan's have the second-longest lifespan in the nation and are surpassed only by Hawaiian's in longevity. The National Center for Health Statistic's latest data indicates that about 8% of elderly people, for reasons including blindness were unable to read newsprint even when wearing corrective lenses. These figures include only noninstitutionalized persons. Minnesota's projected population of individual's over 65 by 1990 is 548,933. Approximately 43,915 will have uncorrectable visual problems. This represents an 8.16% increase since 1985. Of these it is estimated that 5,500 are totally blind in both eyes. Statewide hearings by the Minnesota Board on Aging substantiated the high value older Minnesotan's place on self-sufficiency and living independently. The agency anticipates an increasing need for intensive services, thereby necessitating augmentation of its current capacity to expediently deliver quality services. While the number of severely disabled

elderly blind needing independent living services continues to increase, availability of Federal funds varies from year-to-year. State appropriations will enable us to expand the scope of services and the number of individuals served. Independent living services to severely disabled elderly blind are labor intensive. Services include professional and peer counseling; training in the use of alternative techniques and aids in such areas as travel training, safety, cooking, money management; and use of low vision aids and devices. Services enable the elderly blind and visually handicapped to function more independently in their own homes and communities. Substantial cost/benefit is realized by providing services which enable elderly blind to remain in their own homes and communities. (Annual nursing home fees average \$20,400).

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. Elderly blind and visually impaired	42,743	43,341	43,915	44,529

RATIONALE:

Three staff providing intensive training services, coordinating community resources and selectively purchasing aids and services will enable elderly blind to attain/maintain their independence, rather than being forced into unduly restrictive environments such as nursing homes.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 91	\$ 90	\$ 90	\$ 90
Federal Fund	189	200	200	200
Total	\$ 280	\$ 290	\$ 290	\$ 290

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	TOTAL
General Fund Expenditures	\$ 209	\$ 209	\$ 418

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

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CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: SERVICES FOR THE BLIND
 PROGRAM:
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

REQUEST TITLE: CLIENT ACCESSIBILITY TO JOBS THROUGH TECHNOLOGY

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
General Fund	\$ 200	-0-	\$ 300	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests funds to purchase telecommunications, sensory and other technological and low vision aids, devices and equipment to meet the client's employment objectives. A second priority, to the extent funds are available in any year, will be to adapt Job Service Offices with voice, braille and/or large print equipment to make job opening information accessible to blind and visually handicapped persons as well as increasing accessibility of labor resource for employers. The goal is to apply new technology in a changing job market to enhance the blind and visually handicapped client's ability to equally compete for and access jobs.

EFFECTIVENESS MEASURES:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. of adaptive equipment packages purchased	35	38	104	142

DESCRIPTION/BACKGROUND:

The changing job market and technology is enhancing the blind and visually handicapped persons' ability to use their basic skills to equally compete for and access an increased number of jobs. With greater availability, blind and visually handicapped Minnesotans are becoming more aware of the important role technology can play in the work place. This has created a dramatic increase in the need/demand for adaptive equipment. During the past two years, the number of technology packages purchased for clients has increased by 100%. With the agency's current resources, it is becoming impossible to meet this increasing need. Delays in purchasing often result in loss of jobs and independence. At the present time, the agency has a backlog of indi-

viduals waiting for telecommunications, sensory and other technological, adaptive or low vision aids, devices or equipment. Services for the Blind is committed to provision of these services and will use existing complement and funds to hire an adaptive technology specialist knowledgeable and experienced in the changing job market, technology, and equipment prescription to meet the blind or visually handicapped persons' needs.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. employment plans written	686	755	905	950

RATIONALE:

This increase in state appropriation will be used to: 1) decrease the number of unemployed blind and visually handicapped Minnesotans, 2) alleviate the current backlog of clients awaiting equipment due to a lack of funds, 3) meet the increased demand for technology related to personal independence, and 4) increase employer awareness of potential benefits of adaptive technology.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 20	\$ 22	\$ 22	\$ 22
Federal Fund	80	88	88	88
Total	\$ 100	\$ 110	\$ 110	\$ 100

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	TOTAL
General Fund Expenditures	\$ 300	\$ 300	\$ 600

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Instead, the department should aggressively seek and maximize the use of discretionary federal or other funding sources for equipment purchases on behalf of clients.

CCHGREQ.6
 1-10-89 p.m. pl

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: SERVICES FOR THE BLIND
 PROGRAM:
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

REQUEST TITLE: COMMUNICATION CENTER - "THAT ALL MAY READ"

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 122	5.5	\$ 140	5.5

Governor's Recommendation

General Fund	\$ -0-	-0-	\$ -0-	-0-
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Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests funds and positions to provide for substantially increased demands by blind and physically handicapped persons of all ages for transcription of textbooks, job manuals, and other reading materials as well as related equipment repair -- so that "all may read."

<u>EFFECTIVENESS MEASURES:</u>	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
% of transcription requests delivered on schedule	65	80	90	100
% of clients waiting no more than 1 week for needed equipment	50	75	90	100

DESCRIPTION/BACKGROUND:

"Explosion in demand for services" describes what has occurred in the Communication Center during the period 1986-88. The escalation continues, spurred on by renewed emphasis on literacy, (i.e. the Braille Law passed by the Legislature in 1987 to expand braille usage for blind students, independent living projects, Library of Congress outreach programs and heightened consumer expectation). In 1987, job related requests for transcription services multiplied by 47% in Tape and 125% in Braille. Braille requests for grades 1 through 6 jumped 70%. Overall braille requests in 1987 were up 487% and close to 1000% during this past 2 year period. This overwhelming demand for services has created a number of serious problems. 1) Production time schedules cannot be met. 2) Quality control is not keeping pace with increased production. 3) Frequently, new clients and experienced library

users have to wait for audio equipment because the Communication Center supply is depleted. In addition, the Library of Congress intends to cut the allocation of new tape players and phonographs. To meet the demand, there must be a 200% increase in machine repair. Quick turn around service and special requests are the order-for-the-day.

<u>STATISTICS:</u>	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. of CC clients served	14,260	15,460	16,660	17,860
No. of braille pages produced	568,300	580,800	590,000	620,000
No. of audio cassettes produced	72,875	75,000	78,000	80,000
No. of active volunteers	425	450	475	500
No. of client audio equipment units repaired	1,800	3,000	3,800	4,600

RATIONALE:

Much has already been done to meet the needs and more will be done. Private funds have been obtained to update the Center's recording facilities. Private funds will be requested to convert 20 to 25 volunteer braillists from a manual to an automated braille production system, and an additional 40 to 50 volunteers will be recruited and trained for machine repair, braille and tape transcription, and for the Radio Talking Book Network. However, without an investment in additional staff, the Center will neither be able to sustain or expand production or deliver audio equipment so students, workers, and the elderly can obtain written materials and/or equipment needed for vocational, education, and avocational purposes. Equipment and transcribed material foremost must meet quality standards.

<u>BASE:</u>	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 1,153	\$ 1,110	\$ 1,110	\$ 1,110
Federal Fund	471	453	453	453
Total	\$ 1,624	\$ 1,563	\$ 1,563	\$ 1,563

<u>LONG RANGE IMPLICATIONS:</u>	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	TOTAL
General Fund Expenditures	\$ 140	\$ 140	\$ 280

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

CCHGREQ.7
 1-4-89 a.m.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: SERVICES FOR THE BLIND

PROGRAM:

AGENCY: JOBS AND TRAINING, DEPARTMENT OF

REQUEST TITLE: REASONABLE ACCOMMODATION AND MANAGEMENT INFORMATION SYSTEM CONVERSION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 408	1.0	\$ 44	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No

Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests funds and position to:

1. Reasonably accommodate blind and visually handicapped clients and employees; and
2. Convert the agency's Management Information System to IBM compatible. The objective is to apply new technology and software so that clients and employees have equal access to printed information, are efficiently served, and critical data maintained for efficient service delivery. The conversion will be designed to ensure the ability to interchange data within the Department of Jobs and Training, Intake, Referral and Inventory System or other state sponsored systems, as appropriate.

EFFECTIVENESS MEASURES:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. of agency employees reasonably accommodated	12	14	18	18
No. of field offices with direct braille output capability	0	0	11	11
No. of field offices with on-line system capability	6	6	11	11

DESCRIPTION/BACKGROUND:

The Texas Instrument-990 minicomputer is used to maintain word processing, Business Enterprises profit/loss accounting system, consumable inventory and client case service information and fiscal systems. The processing unit is almost 6 years old and becoming obsolete given new "state of the art" developments and current/anticipated need. There is not direct capacity for print to braille and/or voice output in the field offices since translation software support does not exist for the Texas Instrument. This places clients and employees at a disadvantage since they are not able to simultaneously access the same information as their sighted peers in their preferred mode of communication. In addition, we have slow response time due to maximum disk and table space utilization. As a result of these and other environmental control problems, the agency has recently been experiencing "system crashes"

resulting, in some instances, in an irretrievable loss of information critical to direct client service delivery. Currently, 32 terminals are connected to the minicomputer with no room to expand the system. There still are 5 district offices which do not have access to the Management Information System which greatly impedes their caseload management and direct client service delivery. Eleven field offices and client/staff support will be equipped with adaptive/technological equipment to reasonably accommodate the blind and visually handicapped clients and employees and provide for more effective caseload management and reporting. There are serious problems with word processing which is obsolete and has been abandoned by the manufacturer. Further, the Texas Instrument is not easily compatible with the department's IBM 3090 computer processing unit and they are not able to support the Texas Instrument hardware, programs and operating system. This places the agency in a position of vulnerability. In addition, the Texas Instrument is not easily compatible with the proposed Jobs and Training/Human Services Intake, Referral and Inventory System.

STATISTICS:

No. of blind and visually handicapped employees	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
	18	19	20	21

RATIONALE:

Expansion to include all field offices would provide a mechanism for effective, improved service delivery to clients and caseload management. Further, it would provide more effective utilization of clerical support to perform caseload management assistance functions as a result of word processing capability and elimination of duplicative manual recording, tracking and filing which would have a direct impact on client service delivery. In addition, it would provide a mechanism in all offices for electronic case files, authorizations, case reviews, functional assessments, etc. for more efficient processing of client information, monitoring, reporting and payments, i.e., client maintenance, services, etc. The typed/braille output in the field offices would provide the capability for immediate turnaround of written materials, i.e. memorandums, Individual Written Rehabilitation Plans, client notifications, brief client messages, etc. in the preferred mode of communication.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 38	\$ 39	\$ 33	\$ 32
Federal Fund	93	98	96	95
Total	\$ 131	\$ 137	\$ 129	\$ 127

LONG RANGE IMPLICATIONS:

General Fund Expenditures	F.Y. 1992	F.Y. 1993	TOTAL
	\$ 44	\$ 44	\$ 88

GOVERNOR'S RECOMMENDATION:

This request has been reviewed and not recommended for funding by the Information Policy Office (IPO). The Governor concurs with the IPO recommendation.

CCHGREQ.8
1-10-89 p.m. pl

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: SERVICES FOR THE BLIND
 PROGRAM:
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

REQUEST TITLE: MULTIHANDICAPPED ACCESSIBILITY TO INDEPENDENCE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 210	4.0	\$ 210	4.0

Governor's Recommendation

General Fund	\$ -0-	-0-	\$ -0-	-0-
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Request requires statutory change: _____ Yes X No

Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests funds and positions to provide independent living, supported employment and transition rehabilitation services to multiply handicapped young adults who are blind/visually handicapped and technical assistance to state, county, community and educational agencies, and individuals serving this population. The goal is to assist program participants to function independently in appropriate educational, community based employment, residential, rehabilitation environments, and these and other facilities to adapt their existing programs to meet the unique needs of this population.

EFFECTIVENESS MEASURES:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. Hours of technical assistance to Services for the Blind staff	825	900	990	1,080
No. Hours of technical assistance to educational, community-based employment, residential and rehabilitation facilities	960	1,050	1,155	1,269
No. Hours technical assistance enabling expansion of community-based employment	180	198	210	228
No. Hours direct client services in community-based settings	950	1,373	1,455	1,455
No. of multiply handicapped blind/visually handicapped young adults who attained/maintained a more independent lifestyle	92	133	141	141

DESCRIPTION/BACKGROUND:

Minnesota was awarded a demonstration grant for services to severely multiply handicapped blind children and adults in 1982. Since that time, the direction of the program has been to provide both direct service to individuals and technical assistance to community service providers to allow both public and private agencies to more appropriately and effectively address the often complex, interrelated and unique needs of this group. The focus for such programs has recently changed such that state agencies such as Jobs and

Training may no longer be considered as a recipient of federal funds for such a program.

The agency has clearly established the need for such a program. Severely multiply handicapped blind children and adults need specialized intervention services enabling them to seek greater independence. These services include communication skills training; the provision of and training in the use of technological aids and devices; alternative techniques training in areas such as travel, safety, cooking, money management; and vocational development, evaluation and training at integrated worksites in the community. Such services are multiple in nature, extending over long periods of time. Through the provision of such services, program participants function more independently in the community minimizing the need for institutional placement. With the state focus on deinstitutionalization and least restrictive environment, the agency anticipates an increasing need for such specialized services during the next biennium.

Despite the change in federal focus, the Department Jobs and Training, because of its experience in operating such a specialized program for an extremely low incidence group of persons and statewide service delivery capability, is the only logical organization to continue to provide these necessary services to all Minnesota citizens who are blind and severely multiply handicapped.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. of persons who are multiply handicapped-blind/visually handicapped in Minnesota	5,000	5,036	5,072	5,109

RATIONALE:

Four staff providing intensive intervention services will enable persons who are multiply-handicapped blind/visually handicapped to successfully participate in and contribute to community life.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 250	\$ 290	\$ 290	\$ 290
Federal Fund	97	252	70	70
Total	\$ 347	\$ 542	\$ 360	\$ 360

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	TOTAL
General Fund Expenditures	\$ 210	\$ 210	\$ 420

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

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 1-4-89 p.m.

PROGRAM: ECONOMIC OPPORTUNITY OFFICE
Agency: JOBS AND TRAINING, DEPARTMENT OF

1990-91 Biennial Budget

PROGRAM PURPOSE:

Provide anti-poverty services in 5 major program activity areas. Contract for delivery of services with local, community based organizations and supply planning, direction, funding and evaluation of programs.

Anti-Poverty Programs: Provides assistance to low income Minnesotans through funding of local Community Action Agencies, Indian Reservations, and the Minnesota Migrant Council. Local agencies implement activities designed to meet the needs of their particular area. Examples of programs include food shelves, emergency assistance, self sufficiency, transportation assistance and other similar activities.

Head Start: Funding of local agencies provides comprehensive development services to low income preschool children.

Food and Shelter: Provides for operation of temporary housing for homeless individuals and the support services designed to assist them in finding long term solutions to their housing problems. The low income are also aided through the distribution of USDA supplied surplus food commodities through a network of local agencies.

Energy Assistance: Low income households are given assistance in paying their utility bills through this federally funded block grant. Priority for assistance is given to the lowest income households with the highest fuel costs.

Weatherization: Provides low income households with energy conservation improvements to their homes. Improvements include insulation of walls, attics and foundations; weatherstripping of windows and doors; and improvements to heating systems.

GOALS AND OBJECTIVES:

Provide a broad range of services and strategies designed to alleviate the effects of poverty on low income Minnesotans.

Enhance existing programs and delivery through improved training and technical assistance to local agencies.

Provide leadership through program research, planning and innovation; ensure efficient use of funds through management and monitoring of local service delivery systems.

RESULTS:

The 1980 census counted 375,000 Minnesotans living below the poverty level. The Governor's Commission on Poverty estimates the number of Minnesotans below poverty has increased to 475,000. The low income population and advocates increasingly expect the state to provide innovative services to aid this increasing population to cope with living in poverty and to aid those

who can obtain self sufficiency. Need to pilot innovative service programs and continue to fund the most appropriate and cost effective services for this population.

EXPLANATION OF BUDGET REQUEST:

This request will fund the effort to alleviate the effects of poverty, utilizing available federal funds to the maximum extent.

Three Change Requests items (in 000's) are requested for the program. \$1,000 and 1.0 position in F.Y. 1990 and \$1,000 and 1.0 position in F.Y. 1991 is requested for Low Income Housing Planning Grants. \$3,000 and 2.0 positions in F.Y. 1990 and \$3,000 and 2.0 positions in F.Y. 1991 for Head Start expansion. \$130 in F.Y. 1990 and \$130 in F.Y. 1991 for expansion of the Temporary Housing Program.

GOVERNOR'S RECOMMENDATION:

The Governor recommends a General Fund BASE of \$5,714,000 and a biennial increase of \$16,000,000 for the 1990-91 biennial budget.

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Rev.1-9-89 p.m.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : JOBS & TRAINING
PROGRAM : ECONOMIC OPPORTUNITY OFFICE

ACTIVITY EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
ANTI POVERTY PROGRAMS	11,831	9,639	11,039	0	11,039	11,039	11,039	0	11,039	11,039
HEAD START	1,907	2,370	1,000	3,000	4,000	9,000	1,000	3,000	4,000	9,000
B HEADSTART EXPANSION				3,000		8,000		3,000		8,000
FOOD & SHELTER	1,634	1,940	1,664	1,130	2,794	1,664	1,664	1,130	2,794	1,664
B TEMPORARY HOUSING PROGRAM EXPANSION				130		0		130		0
B LOW INCOME HOUSING PLANNING GRANTS				1,000		0		1,000		0
ENERGY ASSISTANCE	49,914	46,579	46,579	0	46,579	46,579	46,579	0	46,579	46,579
WEATHERIZATION	24,999	21,150	16,412	0	16,412	16,412	12,412	0	12,412	12,412
TOTAL EXPENDITURES	90,285	81,678	76,694	4,130	80,824	84,694	72,694	4,130	76,824	80,694
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,918	2,889	2,857	4,130	6,987	10,857	2,857	4,130	6,987	10,857
SPECIAL REVENUE	0	4,300	4,000	0	4,000	4,000	0	0	0	0
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	2,103	438	0	0	0	0	0	0	0	0
FEDERAL	86,264	74,051	69,837	0	69,837	69,837	69,837	0	69,837	69,837
TOTAL FINANCING	90,285	81,678	76,694	4,130	80,824	84,694	72,694	4,130	76,824	80,694
POSITIONS BY FUND:										
GENERAL	8.0	7.3	7.0	3.0	10.0	9.0	7.0	3.0	10.0	9.0
SPECIAL REVENUE	0.0	5.3	5.0	0.0	5.0	5.0	0.0	0.0	0.0	0.0
FEDERAL	60.4	47.0	47.0	0.0	47.0	47.0	47.0	0.0	47.0	47.0
TOTAL POSITIONS	68.4	59.6	59.0	3.0	62.0	61.0	54.0	3.0	57.0	56.0

FISCAL SUMMARY - FEDERAL FUNDS
Federal Block Grants and Significant Changes in Federal Funding

Federal Grant Title: Community Services Block Grant
Agency: Jobs and Training, Department of

State Legal Authority: Minnesota Statutes 268.52

GRANT OBJECTIVES:

To identify and eliminate the causes of poverty by providing a range of services having a major impact on the causes of poverty and strengthening the community-based organizations which represent the interests of the poor on the local level. The method is to grant funds to entities defined as eligible in the federal authorizing legislation and in the Minnesota Community Action Act for activities locally identified and prioritized.

Federally (and State) Permitted Uses and Use Restrictions:
(Indicate agency discretionary spending authority)

5% state administrative limitation

90% allocation to eligible grantees

5% discretionary usage

5% of funds may be transferred to support activities under Older Americans Act of 1965, the Head Start Program, or the Energy Crisis Intervention program of the Energy Assistant Program Block Grant

2 year expenditure allowance under audit requirement

10% of Energy Assistant Program block grant funds may be transferred to Community Services Block Grant

Legislative hearings required annually on plan.

The allocation to local grantees is governed by M.S. 268.52-54 as amended. The formula is a base amount plus an amount based on percent of poverty level individuals. No transfer to other block grants is recommended by the agency.

Anticipated Receipt Dates:

Quarterly, October through September

Federal Grant Use:	FEDERAL FISCAL YEAR (Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
I. Financial Assistant to Individuals or Political Subdivisions				
Grants to Local Agencies	\$ 3,867	\$ 3,867	\$ 3,867	\$ 3,867
Subtotal	\$ 3,867	\$ 3,867	\$ 3,867	\$ 3,867

	FEDERAL FISCAL YEAR (Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991

II. State Agency Operations				
State Administration	\$ 203	\$ 203	\$ 203	\$ 203
Subtotal	\$ 203	\$ 203	\$ 203	\$ 203
Total \$ This Grant	\$ 4,070	\$ 4,070	\$ 4,070	\$ 4,070

Required State Match None

Required Local Match None

Agency Complement (FTE) funded by this Grant	6	6	6	6
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11/9 a.m.

FISCAL SUMMARY - FEDERAL FUNDS
Federal Block Grants and Significant Changes in Federal Funding

Federal Grant Title: Low Income Home Energy Assistance Block Grant
Agency: Jobs and Training, Department of

State Legal Authority: Governor Designation

GRANT OBJECTIVES:

To assist low income Minnesotans meet the cost of home heating, with energy related crises, and with energy conservation activities.

Federally (and State) Permitted Uses and Use Restrictions:
(Indicate agency discretionary spending authority)

- 10% administrative limitation
- 15% may be used for energy conservation
- 10% transfer to other block grants allowed
- 15% carryover from one year to next allowed

Anticipated Receipt Dates:

October 1 each federal fiscal year.

Federal Grant Use:	FEDERAL FISCAL YEAR (Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
I. Financial Assistance to Individuals or Political Subdivisions				
Local Administration	\$ 4,946	\$ 3,923	\$ 3,923	\$ 3,923
Heating Assistance	42,000	39,272	39,272	39,272
Crisis	3,918	2,625	2,625	2,625
Transfers				
CSBG	4,548	4,110	5,480	5,480
CSBG-Headstart	1,515	1,370	0	0
Weatherization	3,031	2,741	2,741	2,741
Subtotal	\$ 59,958	\$ 54,041	\$ 54,041	\$ 54,041
II. State Agency Operations				
State Administration	673	759	759	759
Subtotal	\$ 673	\$ 759	\$ 759	\$ 759
Total \$ This Grant	60,631	54,800	54,800	54,800
Required State Match	None			
Required Local Match	None			
Agency Complement (FTE) funded by this Grant	36	26.5	26.5	26.5

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11/9 - p.m.

ACTIVITY: ANTI-POVERTY PROGRAMS
Program: ECONOMIC OPPORTUNITY OFFICE
Agency: JOBS AND TRAINING, DEPARTMENT OF

1990-91 Biennial Budget

The Minnesota Community Action Act (M.S. 268.52) provides the formula for funding Community Action Agencies, the Minnesota Migrant Council and Minnesota's Indian Reservation Governments for anti-poverty programs. The formula utilizes base funding and poverty level population.

PURPOSE:

To remove the causes of poverty in Minnesota communities. Efforts concentrate on identifying and eliminating the causes of poverty. Resources are used to focus local, state, private and federal resources on enabling low-income families and individuals to attain skills, knowledge and motivations which will result in becoming more self-sufficient. The federal Community Services Block Grant Act and the Minnesota Community Action Act specify program activities.

OBJECTIVES:

Provide low-income citizens an opportunity to achieve self-sufficiency and self-determination; to support a range of programs and activities which have a measurable and potential major impact on the causes of poverty.

Promote the development and strengthening of community based organizations which represent the interests of the poor on the local level. Develop and support local programs which may expand the knowledge base of poverty problems and test innovative solutions to those problems.

Promote a voice for low-income people in the planning, implementation and evaluation of services to be provided. Coordinate activities related to the problems of poverty through a local community action network and communications to assure public awareness.

RESULTS:

Community Services Block Grant and Minnesota Economic Opportunity Grant funds provide programs serving Minnesotans in all 87 counties through 41 grantees. Programs include: youth, seniors, emergency, transportation, housing, energy, and jobs.

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Households served	140,000	150,000	160,000	160,000

	<u>(Dollars in Thousands)</u>			
<u>Grants by Fund:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General	\$ 835	\$ 1,146	\$ 1,146	\$ 1,146
Federal				
CSBG	3,910	3,867	3,867	3,867
EAP-CSBG	6,541	3,944	5,275	5,275
Subtotal Federal	\$ 10,451	\$ 7,811	\$ 9,142	\$ 9,142
Total Grants by Fund	\$ 11,286	\$ 8,957	\$ 10,288	\$ 10,288

EXPLANATION OF BUDGET REQUEST:

The request is for BASE level funding, to maintain current delivery systems. As the number of low income Minnesotans increases, there is increased pressure for effectiveness and efficient delivery at both the agency and local grantee level.

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 11/22 - a.m.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : JOBS & TRAINING
PROGRAM : ECONOMIC OPPORTUNITY OFFICE
BUDGET ACTIVITY : ANTI POVERTY PROGRAMS

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	416	576	637	0	637	637	637	0	637	637
EXPENSES/CONTRACTUAL SRVCS	59	54	54	0	54	54	54	0	54	54
MISC OPERATING EXPENSES	33	28	32	0	32	32	32	0	32	32
SUPPLIES/MATERIALS/PARTS	15	2	2	0	2	2	2	0	2	2
CAPITAL EQUIPMENT	7	7	7	0	7	7	7	0	7	7
REDISTRIBUTIONS	15	15	19	0	19	19	19	0	19	19
STATE OPERATIONS	545	682	751	0	751	751	751	0	751	751
LOCAL ASSISTANCE	11,286	8,957	10,288	0	10,288	10,288	10,288	0	10,288	10,288
TOTAL EXPENDITURES	11,831	9,639	11,039	0	11,039	11,039	11,039	0	11,039	11,039
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,148	1,469	1,487	0	1,487	1,487	1,487	0	1,487	1,487
STATUTORY APPROPRIATIONS:										
FEDERAL	10,683	8,170	9,552	0	9,552	9,552	9,552	0	9,552	9,552
TOTAL FINANCING	11,831	9,639	11,039	0	11,039	11,039	11,039	0	11,039	11,039
POSITIONS BY FUND:										
GENERAL	7.0	7.0	7.0	0.0	7.0	7.0	7.0	0.0	7.0	7.0
FEDERAL	5.8	10.0	11.5	0.0	11.5	11.5	11.5	0.0	11.5	11.5
TOTAL POSITIONS	12.8	17.0	18.5	0.0	18.5	18.5	18.5	0.0	18.5	18.5

ACTIVITY: HEAD START
 Program: ECONOMIC OPPORTUNITY OFFICE
 Agency: JOBS AND TRAINING, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

The Head Start Program attempts to break the cycle of poverty by providing preschool children and their families a comprehensive program meeting educational, emotional, social, health, nutritional and psychological needs. In Minnesota, grantees receive approximately \$12 million annual funding directly from the U.S. Department of Health and Human Services as well as the state funds.

OBJECTIVES:

The Head Start Program provides grants to local agencies to serve low income 3-5 year olds in the following:

Education. Head Start's educational program is designed to meet each child's individual needs. It also aims to meet the needs of the community served and its ethnic and cultural characteristics. Every child receives a variety of learning experiences to foster intellectual, social and emotional growth.

Health. Head Start emphasizes the importance of early identification of health problems. Head Start provides every child with a comprehensive health care program.

Medical and Dental. Children receive a complete examination with follow up.

Nutrition. Children are served a minimum of 1 hot meal and snack each day to meet daily nutritional needs. A nutritionist supervises nutritional activities, including activities for the family.

Mental Health. Head Start provides mental health and psychological services to children of low-income families.

Parent Involvement. An essential part of every Head Start program is the involvement of parents in all phases of the program.

Social Services. Head Start refers families to local agencies to help them obtain the services they require.

RESULTS:

At least 90% of children enrolled must come from low-income families, with 10% enrollment reserved for handicapped children who may exceed income guidelines. Programs must meet Federal performance standards which insure provision of quality services.

Statistics:	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Children served:				
Federal	5,696	5,832	5,832	5,832
State	194	467	467	467
Block Grant	742	681	0	0
Total	6,6632	6,980	6,299	6,299

Grants by Fund:	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General	\$ 392	\$ 1,000	\$ 1,000	\$ 1,000
Federal				
EAP-CSBG	1,486	1,312	0	0
Total	\$ 1,878	\$ 2,312	\$ 1,000	\$ 1,000

FEDERAL FUNDING CHANGES:

Minnesota's 35 Head Start grantees receive approximately \$12 million directly from the U.S. Department of Health and Human Services. Although this funding has increased each year, only approximately 25% of eligible children are served through federal resources.

EXPLANATION OF BUDGET REQUEST:

Since the inception of Head Start, over ten million children have been served nationally with wide ranging testimony to program success and value. Increased funding is needed to serve a higher percentage of children and to meet rising costs which threaten program quality.

This budget request will supply funds to supplement the current federal effort and allow grantees to serve additional eligible children.

One Change Request item (in 000's) is requested for this activity. \$3,000 in F.Y. 1990 and \$3,000 in F.Y. 1991 is requested in order to increase the percentage of eligible Minnesota children served by the activity.

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 1-5-89 a.m.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : JOBS & TRAINING
PROGRAM : ECONOMIC OPPORTUNITY OFFICE
BUDGET ACTIVITY : HEAD START

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	28	53	0	79	79	79	0	79	79	79
EXPENSES/CONTRACTUAL SRVCS	1	2	0	9	9	9	0	9	9	9
MISC OPERATING EXPENSES	0	2	0	7	7	7	0	7	7	7
SUPPLIES/MATERIALS/PARTS	0	1	0	5	5	5	0	5	5	5
STATE OPERATIONS	29	58	0	100	100	100	0	100	100	100
LOCAL ASSISTANCE	1,878	2,312	1,000	2,900	3,900	8,900	1,000	2,900	3,900	8,900
TOTAL EXPENDITURES	1,907	2,370	1,000	3,000	4,000	9,000	1,000	3,000	4,000	9,000
CHANGE REQUESTS:	FUND									
B HEADSTART EXPANSION	GEN									
				3,000		8,000		3,000		8,000
TOTAL CHANGE REQUESTS				3,000		8,000		3,000		8,000
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	400	1,000	1,000	3,000	4,000	9,000	1,000	3,000	4,000	9,000
STATUTORY APPROPRIATIONS:										
FEDERAL	1,507	1,370	0	0	0	0	0	0	0	0
TOTAL FINANCING	1,907	2,370	1,000	3,000	4,000	9,000	1,000	3,000	4,000	9,000
POSITIONS BY FUND:										
GENERAL	1.0	0.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0	2.0
FEDERAL	2.0	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL POSITIONS	3.0	1.5	0.0	2.0	2.0	2.0	0.0	2.0	2.0	2.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: HEAD START
 PROGRAM: ECONOMIC OPPORTUNITY OFFICE
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

REQUEST TITLE: HEAD START EXPANSION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$3,000	2.0	\$3,000	2.0
Governor's Recommendation				
General Fund	\$8,000	2.0	\$8,000	2.0

Request requires statutory change: X Yes _____ No
 Statutes Affected: New Legislation

STATEMENT OF REQUEST/OBJECTIVE:

Request funds to expand of Head Start services to reach a higher percentage of low income children who are eligible but not currently receiving services due to lack of funding. Objective is to provide low income preschool children with a comprehensive developmental program designed to increase success upon entry into the school system.

DESCRIPTION/BACKGROUND:

Head Start is a family centered child development program funded primarily by the federal government, with supplemental program expansion funding coming from the State and through the Federal Community Services Block Grant. The program is delivered at the local level by community based organizations, typically Community Action Agencies and Indian Reservations. Provides a variety of health, nutritional, educational, and developmental services to participating children and their families.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Children served				
Direct Federal	5,696	5,832	5,832	5,832
General	194	467	1,820	1,820
Block Grant	742	681	0	0
Total Served	6,632	6,980	7,652	7,652

RATIONALE:

A variety of studies have concluded that Head Start participants show measurable improvements in early learning ability, and that the programs are cost effective in terms of avoided future social program expense and increased earning capability. The current program level serves approximately 33% of the eligible population. Funding at the requested level would raise the percent of eligible served to 36%. The funds being transferred to Head Start from the Block Grant are proposed to be discontinued in Fiscal Year 1990 due to the decline in funds available from the Energy Assistance Block Grant. Of the requested funds \$1,370 annually is to replace the Block Grant funds and the remaining \$1,630 is requested for expansion.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 400	\$ 1,000	\$ 1,000	\$ 1,000
Community Service Block Grant	1,507	1,370	0	0
Total	\$ 1,907	\$ 2,370	\$ 1,000	\$ 1,000

LONG RANGE IMPLICATIONS	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	TOTAL
General Fund Expenditures	\$ 3,000	\$ 3,000	\$6,000

GOVERNOR'S RECOMMENDATION:

This request is a component of the Governor's Children's Initiative. The Governor recommends \$16,000 and 2.0 positions for the biennium to increase the proportion of eligible population served under Headstart. Up to \$2,000 may be used for innovative programs serving homeless children, low-income working parents, PATHS participants, etc.

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 Rev. 1-4-89 p.m.

ACTIVITY: FOOD AND SHELTER
Program: ECONOMIC OPPORTUNITY OFFICE
Agency: JOBS AND TRAINING, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

The Food and Shelter activity provides services and grants to local agencies involved in aiding Minnesota's low income citizens with assistance in obtaining food and adequate shelter.

OBJECTIVES:

To update and expand existing delivery to serve more persons, improve technical assistance, dissemination of data necessary to apprise public of problems being faced by the target group and work towards improvement of program administration and coordination.

RESULTS:

1. Temporary Emergency Food Assistance Program: Statutory Reference: Laws of 1987, Ch. 403, Art 1, Subd. 4 (State & USDA Funded)

Provide management of the distribution of U.S. Department of Agriculture surplus food commodities to low income households statewide.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Pounds of food distributed	11.5M	4.5M	4.5M	4.5M
Households receiving/distribution	180,000	180,000	180,000	180,000

	<u>(Dollars in Thousands)</u>			
<u>Grants by Fund</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General	\$ 200	\$ 200	\$ 200	\$ 200
Federal	350	155	155	155
Total	\$ 550	\$ 355	\$ 355	\$ 355

2. Temporary Housing Program (THP): Statutory Reference: M.S. 268.38 (State Funded)

Emergency Community Services Homeless Grant Program (ECSHP): Statutory Reference: P.L. 100-77; P.L. 97-35 (HHS Funded)

Life Skills and Employment Grant: Statutory Reference: Laws of 1988, Ch. 689 Sec. 221 (State Funded)

These programs provide grants to local agencies to provide support services to homeless persons who reside in transitional housing units. Support services provided include needs assessment, referral to appropriate educational, social, legal, child care, health and employment services. The objective is to move the individual or family into a permanent housing situation.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Individuals provided				
Temporary Housing (THP)	1,092	1,725	1,725	1,725
Local Grants (THP)	12	19	19	19

<u>Grants by Fund:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Temporary Housing				
General Fund	\$ 170	\$ 170	\$ 170	\$ 170
Federal (EAP-CSBG)	47	12	0	0
Total	\$ 217	\$ 182	\$ 170	\$ 170

<u>Community Services Homeless</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Federal	\$ 0	\$ 450	\$ 236	\$ 236
Total	\$ 0	\$ 450	\$ 236	\$ 236

<u>Life Skills Grant</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General Fund	\$ 0	\$ 40	\$ 0	\$ 0
Total	\$ 0	\$ 40	\$ 0	\$ 0

3. Emergency Shelter Grant Program: Statutory Reference: P. L. 99-50; P. L. 100-77 (HUD Funded)

The federally funded program provides grants to local agencies to improve the emergency shelters for the homeless by making available additional shelters and shelter beds, and to fund the cost of operating emergency shelters, so that homeless persons have access to safe and sanitary shelters.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Shelter beds provided	1,332	1,332	1,332	1,332
Number of grants	16	16	16	16

	<u>(Dollars in Thousands)</u>			
<u>Grants by Fund:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Federal	\$ 396	\$ 396	\$ 396	\$ 396
Total	396	396	396	396

4. Community Food and Nutrition Program: Statutory Reference: P.L. 99-425; CSBG Act

Provides grants to local agencies to increase utilization of food stamp program, and to provide local capacity to coordinate nutritional services.

	<u>(Dollars in Thousands)</u>			
<u>Grants by Fund:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Federal	\$ 19	\$ 20	\$ 20	\$ 20
Total	\$ 19	\$ 20	\$ 20	\$ 20

EXPLANATION OF BUDGET REQUEST:

This request will fund anti-poverty activities in the area of providing emergency food and shelter services to low income persons in Minnesota. The thrust of the housing programs is to provide services to find long range solutions to the homeless.

Two Change Request items (in \$000's) are requested for this activity. \$130 in F.Y. 1990 and \$130 in F.Y. 1991 to expand the Temporary Housing Program. \$1,000 and 1.0 position in F.Y. 1990 and \$1,000 and 1.0 position in F.Y. 1991 is requested for Low Income Housing Planning Grants.

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 Rev. 1-5-89 a.m.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : JOBS & TRAINING
PROGRAM : ECONOMIC OPPORTUNITY OFFICE
BUDGET ACTIVITY : FOOD & SHELTER

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	111	189	180	29	209	180	180	29	209	180
EXPENSES/CONTRACTUAL SRVCS	326	294	294	8	302	294	294	10	304	294
MISC OPERATING EXPENSES	3	3	2	7	9	2	2	7	9	2
SUPPLIES/MATERIALS/PARTS	3	1	1	6	7	1	1	4	5	1
REDISTRIBUTIONS	9	10	10	0	10	10	10	0	10	10
STATE OPERATIONS	452	497	487	50	537	487	487	50	537	487
LOCAL ASSISTANCE	1,182	1,443	1,177	1,080	2,257	1,177	1,177	1,080	2,257	1,177
TOTAL EXPENDITURES	1,634	1,940	1,664	1,130	2,794	1,664	1,664	1,130	2,794	1,664
CHANGE REQUESTS: FUND										
B TEMPORARY HOUSING PROGRAM EXPANSION				130		0		130		0
B LOW INCOME HOUSING PLANNING GRANTS				1,000		0		1,000		0
TOTAL CHANGE REQUESTS				1,130		0		1,130		0
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	370	420	370	1,130	1,500	370	370	1,130	1,500	370
STATUTORY APPROPRIATIONS:										
FEDERAL	1,264	1,520	1,294	0	1,294	1,294	1,294	0	1,294	1,294
TOTAL FINANCING	1,634	1,940	1,664	1,130	2,794	1,664	1,664	1,130	2,794	1,664
POSITIONS BY FUND:										
GENERAL	0.0	0.3	0.0	1.0	1.0	0.0	0.0	1.0	1.0	0.0
FEDERAL	2.8	5.5	5.5	0.0	5.5	5.5	5.5	0.0	5.5	5.5
TOTAL POSITIONS	2.8	5.8	5.5	1.0	6.5	5.5	5.5	1.0	6.5	5.5

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: FOOD AND SHELTER
 PROGRAM: ECONOMIC OPPORTUNITY OFFICE
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

REQUEST TITLE: TEMPORARY HOUSING PROGRAM EXPANSION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 130	-0-	\$ 130	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 1987, Sec. 268.38

STATEMENT OF REQUEST/OBJECTIVE:

Request funds to increase Temporary Housing Program activities. Objective is to provide transitional housing for homeless persons or families for up to a maximum of six months and to provide these persons with the support services necessary in order to find long term solutions to their housing problems.

DESCRIPTION/BACKGROUND:

The Temporary Housing Program was begun in 1984 in response to the need for increased emergency housing services for homeless persons in Minnesota. The program provides for planning, funding, and evaluation. The Department of Jobs and Training contracts with local organizations to operate the programs, which provide up to a maximum of six months of assisted housing to eligible participants. The primary objective of the program is to provide support services, including appropriate educational, social, legal, employment, health and financial services that are needed to move the client into stable long term housing.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Persons Assisted	1,092	1,725	3,036	3,036
Local Grants	12	19	25	25

RATIONALE:

The number of homeless persons in Minnesota has continued to grow. Occupancy in Minnesota transitional housing programs runs at a very high level of 95% statewide and many programs have a waiting list. Many other areas of the state have no temporary housing facilities. For fiscal year 1989, the Department received requests for funding from 27 programs, requesting \$455,000. Only \$170,000 was available.

Twelve of the 27 transitional housing programs have begun operation in the past two years. Current funding levels are insufficient to meeting the start up cost or expansion of these programs. Many new transitional housing programs in Minnesota have targeted special groups, such as individuals leaving prostitution, those suffering from abuse, or mental illness. The additional funds will increase the service to meet the growing need.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General	\$ 170	\$ 170	\$ 170	\$ 170
Federal (CSBG)	47	12	0	0
Total	\$ 217	\$ 182	\$ 170	\$ 170

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	TOTAL
	\$ 130	\$ 130	\$ 260

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

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 Rev. 1-4-89 p.m.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: FOOD AND SHELTER
 PROGRAM: ECONOMIC OPPORTUNITY OFFICE
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

REQUEST TITLE: LOW INCOME HOUSING PLANNING GRANTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$1,000	1.0	\$1,000	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: X Yes _____ No
 Statutes Affected: New Legislation

STATEMENT OF REQUEST/OBJECTIVE:

Requests funds to provide grants to local Community Action Programs to develop local capacity to plan and implement local programs to preserve and create permanent low-income housing. The requested funds would be used for staffing, planning and related costs to leverage funds for the renovation and building of new low income housing units. The objective is to create capability in locally based organizations to access a greater amount of federal funds, foundation assistance and tax financing options in order to create new low-income housing and assure preservation of existing low-income housing. Funds would be distributed equally to Community Action Programs throughout the state.

DESCRIPTION/BACKGROUND:

Housing programs in Minnesota since the 1960's have provided for low income housing by placing restrictions regarding the affordability and through requiring owners to restrict tenancy to include low-income persons in exchange for various forms of subsidies. The restrictions placed on these units were temporary and owners have the option of terminating them at certain time points.

Minnesota's assisted housing units number approximately 49,000 of these; 49% are eligible for termination of the use restrictions within five years. Affordable housing for low-income families is already in short supply. Any persons displaced from currently restricted units will be forced to seek housing in an already tight market and often forced to pay a disproportionate portion of their income on housing.

RATIONALE:

With the likelihood for a decrease from already inadequate levels of affordable housing, the need for preserving as many existing units as possible and creating new affordable units is crucial. Many current federal subsidies and tax incentive based opportunities go unused, particularly in rural areas due to the lack of an established organization. Alternatives to private ownership of low-income rental units are viable options. The Department of Jobs and Training through these grants intends to establish the capability, at the local level, to create new and preserve existing affordable housing units. The position is requested to provide planning, technical assistance, funding oversight, and evaluation of the local programs

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 0	\$ 0	\$ 0	\$ 0

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	TOTAL
	\$ 1,000	\$ 1,000	\$2,000

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

24eoo
 Rev. 1-4-89 p.m.

ACTIVITY: ENERGY ASSISTANCE
 Program: ECONOMIC OPPORTUNITY OFFICE
 Agency: JOBS AND TRAINING, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

To assist low-income households (114,000) during each federal fiscal year with the costs of home heat, with energy-related crises, and with energy conservation.

OBJECTIVES:

Strengthen coordination between programs and delivery agents to ensure maximum utilization of resources and delivery effectiveness. Establish policies and procedures to assure equal access to eligible clients.

Energy Assistance Program:
 Statutory Reference: Governor's Designation

Coordination with Weatherization. Households eligible for energy assistance are also eligible for Weatherization. Eligibility for both programs is 135% of poverty. One application services both programs. Households with high energy consumption are referred for priority weatherization.

Heating Assistance. Makes payments to energy vendors on behalf of eligible applicants. Payments are a portion of actual heating costs for the previous year. The portion of heating costs paid varies depending upon income, household size and fuel type.

Crisis non-repair. Eligible households threatened with loss of heating fuel due to inability to pay may have additional payments made to their vendor on their behalf. Crisis benefits are individual as necessary to resolve the crisis.

Crisis repair. Eligible households threatened with loss of heat due to problems with heating systems, chimneys, building shell, etc., may receive emergency repairs to maintain heat. Budget figures for this activity are contained in the Weatherization activity description.

Coordination and referral. Households may be provided with or referred to other agency or community services to resolve problems that surface through intake for one of the above categories. Budget counseling and self-sufficiency programs are two common examples.

Data analysis, technical assistance, monitoring. Fifty agencies deliver energy assistance to households. The Department of Jobs and Training trains agencies and monitors compliance with program and fiscal requirements. A comprehensive computerized information system, program operations and fiscal system standardizes data collection.

RESULTS:

Statistics:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Average benefit	\$ 362	\$ 360	\$ 360	\$ 360
Average heating cost	480	480	480	480
Cost per application	43	43	43	43
Households Assisted with:				
Heat Costs	113,537	114,000	114,000	114,000
Crisis non-repair	4,046	4,000	4,000	4,000
Crisis repair	5,423	5,000	5,000	5,000

(Dollars in Thousands)

Recent Budget History:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988
Federal allocations	\$ 82,239	\$ 78,271	\$ 72,262	\$ 60,631

(Dollars in Thousands)

Grants by Fund:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Federal	\$ 49,261	\$ 45,820	\$ 45,820	\$ 45,820
Total	\$ 49,261	\$ 45,820	\$ 45,820	\$ 45,820

EXPLANATION OF BUDGET REQUEST:

No state funds are requested for this activity.

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 11/9 a.m.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : JOBS & TRAINING
PROGRAM : ECONOMIC OPPORTUNITY OFFICE
BUDGET ACTIVITY : ENERGY ASSISTANCE

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	539	624	624	0	624	624	624	0	624	624
EXPENSES/CONTRACTUAL SRVCS	28	40	40	0	40	40	40	0	40	40
MISC OPERATING EXPENSES	55	65	65	0	65	65	65	0	65	65
SUPPLIES/MATERIALS/PARTS	10	10	10	0	10	10	10	0	10	10
REDISTRIBUTIONS	21	20	20	0	20	20	20	0	20	20
STATE OPERATIONS	653	759	759	0	759	759	759	0	759	759
LOCAL ASSISTANCE	49,261	45,820	45,820	0	45,820	45,820	45,820	0	45,820	45,820
TOTAL EXPENDITURES	49,914	46,579	46,579	0	46,579	46,579	46,579	0	46,579	46,579
SOURCES OF FINANCING:										
STATUTORY APPROPRIATIONS:										
FEDERAL	49,914	46,579	46,579	0	46,579	46,579	46,579	0	46,579	46,579
TOTAL FINANCING	49,914	46,579	46,579	0	46,579	46,579	46,579	0	46,579	46,579
POSITIONS BY FUND:										
FEDERAL	35.8	20.0	20.0	0.0	20.0	20.0	20.0	0.0	20.0	20.0
TOTAL POSITIONS	35.8	20.0	20.0	0.0	20.0	20.0	20.0	0.0	20.0	20.0

ACTIVITY: WEATHERIZATION
 Program: ECONOMIC OPPORTUNITY OFFICE
 Agency: JOBS AND TRAINING, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

The purpose of the Weatherization Program is to assist low income Minnesotans through energy conservation improvements to their homes.

OBJECTIVES:

Increase the reduction in energy consumption for each weatherized household and to improve the payback on improvements.

Weatherization Program: Statutory References M.S. 268.37.

The activity has been dependent the last 3 years on several sources of funding. These sources are: U.S. Department of Energy (DOE) funds, Energy Assistance Program block grant funds and oil overcharge funds.

The program provides funds to local grantee agencies throughout the state. Since 1978, the Department of Jobs and Training has directed this effort through a network of 26 community action agencies, 3 counties, and 7 Indian Reservations. Since the inception of the program, the Department of Jobs and Training has placed a high priority on weatherizing elderly and handicapped households. Current program emphasis includes households experiencing high consumption.

A 1984 study contracted to Boicentric, Inc., estimates that 225,000 households are eligible for the weatherization program at the 135% of poverty eligibility criteria. By December, 1988, over 130,000 households will have received weatherization services. Program funds purchase of materials, hiring of labor to install those materials, and program support costs which includes the purchase, maintenance and operation of vehicles, tools, and equipment. Local agencies use a combination of contracted services and hired staff persons to deliver the service.

The program also provides funds that enable subgrantees to make decisions based on local energy conservation needs. Subgrantees may budget weatherization conservation funds into any combination of the following categories: Mechanical options including furnace replacement, clean and tune, duct repair and various retrofits; conservation education; repair and weatherize; and regular weatherization activities.

RESULTS:

Statistics:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. of households served	9,184	9,200	7,000	5,000
Dollar saved per household/yr at current prices	\$ 113.00	\$ 120.00	\$ 141.00	\$ 141.00
% energy savings/household	16.0%	17.0%	20.0%	20.0%

Grants by Fund:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 0	\$ 0	\$ 0	\$ 0
Federal				
DOE	\$ 14,676	\$ 7,536	\$ 7,536	\$ 7,536
EAP	7,427	8,420	4,420	4,420
Subtotal Federal	\$ 22,103	\$ 15,956	\$ 11,956	\$ 11,956
Special Revenue				
Exxon Oil Overcharge	\$ 2,103	\$ 438	\$ 0	\$ 0
Stripper Oil Overcharge	0	3,870	3,600	0
Subtotal Special Revenue	\$ 2,103	\$ 4,308	\$ 3,600	\$ 0
Total Grants by Fund	\$ 24,206	\$ 20,264	\$ 15,556	\$ 11,956

EXPLANATION OF BUDGET REQUEST:

No state funds are requested for this activity.

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1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : JOBS & TRAINING
PROGRAM : ECONOMIC OPPORTUNITY OFFICE
BUDGET ACTIVITY : WEATHERIZATION

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	535	533	518	0	518	518	338	0	338	338
EXPENSES/CONTRACTUAL SRVCS	173	245	230	0	230	230	60	0	60	60
MISC OPERATING EXPENSES	40	55	55	0	55	55	30	0	30	30
SUPPLIES/MATERIALS/PARTS	17	31	31	0	31	31	6	0	6	6
CAPITAL EQUIPMENT	14	6	6	0	6	6	6	0	6	6
REDISTRIBUTIONS	14	16	16	0	16	16	16	0	16	16
STATE OPERATIONS	793	886	856	0	856	856	456	0	456	456
LOCAL ASSISTANCE	24,206	20,264	15,556	0	15,556	15,556	11,956	0	11,956	11,956
TOTAL EXPENDITURES	24,999	21,150	16,412	0	16,412	16,412	12,412	0	12,412	12,412
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
SPECIAL REVENUE	0	4,300	4,000	0	4,000	4,000	0	0	0	0
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	2,103	438	0	0	0	0	0	0	0	0
FEDERAL	22,896	16,412	12,412	0	12,412	12,412	12,412	0	12,412	12,412
TOTAL FINANCING	24,999	21,150	16,412	0	16,412	16,412	12,412	0	12,412	12,412
POSITIONS BY FUND:										
SPECIAL REVENUE	0.0	5.3	5.0	0.0	5.0	5.0	0.0	0.0	0.0	0.0
FEDERAL	14.0	10.0	10.0	0.0	10.0	10.0	10.0	0.0	10.0	10.0
TOTAL POSITIONS	14.0	15.3	15.0	0.0	15.0	15.0	10.0	0.0	10.0	10.0

PROGRAM: UNEMPLOYMENT INSURANCE
 Agency: JOBS AND TRAINING, DEPARTMENT OF

1990-91 Biennial Budget

PROGRAM PURPOSE:

To provide temporary economic relief through payment of benefits to assist persons in minimizing the economic and social impact of unemployment.

Employers contribute to a trust fund to provide a financial reserve during periods of sound economic conditions to finance benefit payments to those people involuntarily unemployed during economic downturns. Payment of benefits help the unemployed meet nondeferrable expenses.

The Unemployment Insurance Program encompasses the following activities:

Determining liability of approximately 93,000 employers for unemployment insurance coverage, collection of quarterly employer contributions of approximately \$350 million, annual auditing of accounts to ensure proper tax payments and enforcing collection of delinquencies.

Administering Unemployment Insurance Law to insure the prompt payment of benefits to eligible claimants.

Determining benefit entitlements, employer liabilities and, through an appellate process provide impartial due process hearings to persons appealing adverse decisions.

GOALS AND OBJECTIVES:

The United States Department of Labor has established 30 Desired Levels of Achievement to measure promptness and quality in all areas of Unemployment Insurance.

The department established as its objectives to improve the internal system; publicize and inform employers, claimants and citizens about unemployment insurance; improve coordination with other agencies and programs; and improve tax collections and revision of rule writing.

RESULTS:

1. Effectiveness Measures: The more significant measures to determine promptness and quality are:

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Determine new employer liability and register within 180 days (standard: 80%)	76.2	80.0	80.0	80.0
Liabe employer audits (standard 4% annually)	4.5	4.0	4.0	4.0
Make benefit payments within 14 days from first compensable week payable (standard: 87%)	94.6	87.0	87.0	87.0

2. Unemployment insurance activity covers 97% of wage and salaried employment, representing more than 93,000 private and public employers in nearly 105,000 different locations and about 1.9 million workers.

The number of claimants in any single year fluctuates with the economy. The number of individuals paid benefits depend on determined eligibility.

Statistics:	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>
Number of claims	270,000	260,000
Number of employer accounts	93,000	93,000
Number of appeals	14,000	13,000

TRUST FUND	<u>(Dollars in Thousands)</u>	
	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>
Balance Forward	\$ 58,000	\$ 131,000
Taxes and Interest Collected	+ 393,000	+ 409,000
Benefits Paid	- 320,000	- 298,000
Balance	\$ 131,000	\$ 242,000

State payroll taxes are used solely for payment of benefits. Federal payroll taxes support the administration of the Unemployment Insurance program at both the federal and state levels.

EXPLANATION OF BUDGET REQUEST:

Extensive legislation passed in 1987 addressed financing the program. The Unemployment Insurance fund is solvent and should remain so. The 1987 Legislature also passed legislation authorizing a new method of computing unemployment insurance benefits (Wage Detail) placing Minnesota in conformity with federal requirements. This change was funded by a federal supplemental budget request.

No state appropriation is requested. Administration of the program is financed on a workload basis by the Department of Labor from funds collected through a federal unemployment payroll tax on private employers. Benefits are financed by a state unemployment insurance tax on private employers and reimbursement of costs from public and non-profit employers.

In F.Y.s 1988 and 1989, additional funds (\$2 Million) were appropriated from federal Reed Act funds. These monies were used to enhance programs in accordance with legislation in 1987.

GOVERNOR'S RECOMMENDATION:

The Governor recommends BASE level funding for this program.

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1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : JOBS & TRAINING
PROGRAM : UNEMPLOYMENT INSURANCE
BUDGET ACTIVITY : UNEMPLOYMENT INSURANCE

EXPENDITURES:			F.Y. 1990			F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	22,834	26,878	25,650	0	25,650	25,650	25,676	0	25,676	25,676
EXPENSES/CONTRACTUAL SRVCS	3,091	9,445	3,800	0	3,800	3,800	2,725	0	2,725	2,725
MISC OPERATING EXPENSES	969	1,243	800	0	800	800	800	0	800	800
SUPPLIES/MATERIALS/PARTS	418	365	350	0	350	350	350	0	350	350
CAPITAL EQUIPMENT	3,407	2,048	770	0	770	770	520	0	520	520
REDISTRIBUTIONS	271	425	450	0	450	450	475	0	475	475
STATE OPERATIONS	30,990	40,404	31,820	0	31,820	31,820	30,546	0	30,546	30,546
AIDS TO INDIVIDUALS	3,492	5,200	5,200	0	5,200	5,200	5,200	0	5,200	5,200
TOTAL EXPENDITURES	34,482	45,604	37,020	0	37,020	37,020	35,746	0	35,746	35,746
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	52	0	0	0	0	0	0	0	0	0
STATUTORY APPROPRIATIONS:										
FEDERAL	34,430	45,604	37,020	0	37,020	37,020	35,746	0	35,746	35,746
TOTAL FINANCING	34,482	45,604	37,020	0	37,020	37,020	35,746	0	35,746	35,746
POSITIONS BY FUND:										
FEDERAL	810.3	773.0	750.0	0.0	750.0	750.0	750.0	0.0	750.0	750.0
TOTAL POSITIONS	810.3	773.0	750.0	0.0	750.0	750.0	750.0	0.0	750.0	750.0

PROGRAM: EMPLOYMENT AND TRAINING
Agency: JOBS AND TRAINING, DEPARTMENT OF

1990-91 Biennial Budget

PROGRAM PURPOSE:

Employment and Training provides an array of special programs to address needs of those seeking assistance in obtaining meaningful employment and needing intense services or training to obtain employment and self-sufficiency. These programs, many targeted to specific populations, are funded through a variety of sources-the majority of which are grants from Federal Agencies. The thrust of these activities is to serve both job seekers and employers through matching workers to available job openings and to direct special services and/or training to those experiencing barriers to employment.

Major programs are: a federally financed Job Service, part of the national public labor exchange network; Job Training Partnership Act activities directed to persons with employment barriers funded by the federal government; 2 major youth employment programs targeted to the disadvantaged, 1 funded by state appropriations and the other federal; employment initiatives for Aid to Families with Dependent Children recipients including the federal/state Work Incentive Program and the State PATHS program employment components; State funded Wage Subsidy Program (MEED); providing employment and job creation services to Dislocated Workers; training and employment funded by the federal Job Training Partnership Act and Trade Adjustment Assistance Programs. Other programs-services include special placement services for veterans, assistance for Displaced Homemakers, federal programs for Senior Community Services Employment, Juvenile Justice-both State and Federal, and the State funded Opportunity Industrialization Centers.

GOALS AND OBJECTIVES:

Provide an effective employment and training system to assist job seekers in qualifying for and obtaining employment and provide employers a qualified pool of workers to meet their demands.

Provide an atmosphere in which the state, local communities and other community agencies can deliver employment and training related services to decrease unemployment and public assistance.

Enhance programs to serve more clients in a cost effective manner, provide assistance, both technical and financial to ensure optimum utilization of local programs and serve as catalyst to increase use of services and coordination and co-location of service at all levels.

PROGRAM DELIVERY:

The Job Service/Unemployment Insurance Operations Office provides direct client service statewide through a network of 60 locations. These locations provide a wide array of services in the broad categories of job placement and unemployment insurance further refined to specific emphases relating to the needs of special client groups. Federal grants provide the major source of funding although additional resources are obtained through service contracts to provide job related services. Several special projects operate to meet specific needs of targeted groups. Among these are Re-Employ Minnesota a special effort to concentrate assistance to unemployed persons who cannot return to the labor force because of structure unemployment, Project Jobs-

utilizes unemployment insurance benefits to assist workers to reenter the labor force, and Job Search - an on-line computerized system allowing job seekers to conduct a self-search of job opportunities.

The State Job Training Office operates primarily as a contractor of client services through a variety of local/regional service deliverers or agencies. Delivery includes Job Training Partnership activities, Youth Program, Wage Subsidy Programs, Dislocated Workers and others. The Office maintains oversight and monitoring responsibilities to assure programs are delivered to targeted groups and performance standards are met.

RESULTS:

The department utilizes a Goals Management System which is results oriented and establishes objectives for all operating programs to meet or exceed required or historic activity levels. For the program year ended June 1988 major objectives were met. Service to job seekers and employers exceeded objectives in a number of categories. Increased services and employment opportunities were afforded those receiving unemployment insurance. The Job Training Partnership Act and Youth programs achieved significant results in spite of reduced resources and a number of new, innovative programs and service systems were introduced which will significantly increase the level of service available to many segments of our clientele. Among these were the on-line self-search Job Search System, Re-employ Minnesota, a specialized service to the structurally unemployed; revisions in Youth programs to offer greater opportunity on a year-round basis; and a variety of cooperative efforts with local agencies and governmental units. The thrust of these efforts continues to provide improved cost effective service to greater numbers of persons in spite of shrinking federal resources.

EXPLANATION OF BUDGET REQUEST:

The budget requests, both federal and state will fund a variety of efforts, both at state and local levels to meet many of the needs of those persons needing employment assistance, training, and unemployment insurance benefits to assist during periods of unemployment. Activities covered are directed to unmet needs of targeted groups experiencing barriers to obtaining meaningful employment and self-sufficiency.

Federal funds are anticipated to remain at about the same level for 1990-91 but may reflect some decreases attributable to formulae which take into account Minnesota's relatively low unemployment rate and the related improvement in the employment economy.

Includes 6 CHANGE requests in this program totaling \$8,230 for the biennium.

GOVERNOR'S RECOMMENDATION:

The Governor recommends a net all funds biennial reduction of \$15,022,000 from the Employment and Training Program BASE.

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1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : JOBS & TRAINING
PROGRAM : EMPLOYMENT & TRAINING

ACTIVITY EXPENDITURES:		F.Y. 1990					F.Y. 1991				
		FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
				BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
JTPA PROGRAMS		26,878	23,800	21,400	0	21,400	21,400	21,400	0	21,400	21,400
YOUTH PROGRAMS		13,591	11,406	12,523	1,800	14,323	13,273	11,039	1,800	12,839	11,789
B AT-RISK YOUTH	GEN				1,800		750		1,800		750
WAGE SUBSIDY		9,240	11,204	9,612	0	9,612	0	9,612	0	9,612	0
B REDUCE WAGE SUBSIDY PROGRAM	GEN				0		<9,000>		0		<9,000>
B REDUCE WAGE SUBSIDY PROGRAM	SREV				0		<612>		0		<612>
EMPLOYMENT INITIATIVES/AFDC		2,307	4,377	2,032	0	2,032	2,032	2,032	0	2,032	2,032
DISLOCATED WORKERS		5,284	4,200	3,650	0	3,650	3,650	3,650	0	3,650	3,650
DISPLACED HOMEMAKERS		931	1,150	950	1,000	1,950	1,426	950	1,000	1,950	1,426
B DISPLACED HOMEMAKERS PROGRAM	GEN				1,000		0		1,000		0
B DISPLACED HOMEMAKERS PROGRAM	SREV				0		476		0		476
EMPLOYMENT PROGRAMS		21,375	23,554	23,454	415	23,869	24,329	23,454	415	23,869	24,329
B INDIAN EDUCATION AND EMPLOYMENT	GEN				40		0		40		0
B LABOR MARKET INFORMATION	GEN				200		0		200		0
B OPPORTUNITIES INDUSTRIALIZATION CTRS	GEN				175		175		175		175
B HOSPITALITY HOSTS	GEN				0		700		0		700
INTAKE, REFERRAL & INVENTORY SYSTEM		0	400	0	750	750	0	0	1,050	1,050	0
B INTAKE, REFERRAL & INVENTORY SYSTEM	GEN				750		0		1,050		0
TOTAL EXPENDITURES		79,606	80,091	73,621	3,965	77,586	66,110	72,137	4,265	76,402	64,626
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL		11,464	11,657	12,598	3,965	16,563	5,223	11,114	4,265	15,379	3,739
STATUTORY APPROPRIATIONS:											
GENERAL		275	2,345	0	0	0	0	0	0	0	0

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : JOBS & TRAINING
PROGRAM : EMPLOYMENT & TRAINING

SOURCES OF FINANCING:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
SPECIAL REVENUE	1,515	5,010	3,562	0	3,562	3,426	3,562	0	3,562	3,426
FEDERAL	66,352	61,079	57,461	0	57,461	57,461	57,461	0	57,461	57,461
TOTAL FINANCING	79,606	80,091	73,621	3,965	77,586	66,110	72,137	4,265	76,402	64,626
POSITIONS BY FUND:										
GENERAL	8.0	10.7	7.2	9.5	16.7	8.0	7.2	9.5	16.7	8.0
SPECIAL REVENUE	11.0	5.0	5.0	0.0	5.0	2.0	5.0	0.0	5.0	2.0
FEDERAL	739.9	581.0	575.0	0.0	575.0	575.0	575.0	0.0	575.0	575.0
TOTAL POSITIONS	758.9	596.7	587.2	9.5	596.7	585.0	587.2	9.5	596.7	585.0

ACTIVITY: JTPA PROGRAMS
Program: EMPLOYMENT AND TRAINING
Agency: JOBS AND TRAINING, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

Title IIA and Title IVC of the federal Job Training Partnership Act (Sec. 169, 29 U.S.C. 1501 etseq, P.L. 97-300.96 Stat. 1322) fund employment and training programs for economically disadvantaged youth, adults, and veterans facing serious barriers to employment. The purpose is to increase the reemployment and earnings of participants and reduce their dependence on welfare. Services to participant generally include assessment, counseling, on-the-job training, classroom training, job search assistance and placements, basic education, work experience and support services.

As mandated by the Job Training Partnership Act, services are funded under 6 categories.

OBJECTIVES:

Seventy-eight percent of available Title IIA Job Training Partnership Act funds are allocated by formula to 17 local substate Service Delivery Areas. Local responsibilities for the program are shared by Chief Elected Officials and Private Industry Councils, who provide policy guidance and exercise oversight over local plans, programs and operations. Private Industry Council members are appointed by the Chief Elected Officials in each local Service Delivery Area from business organizations, labor organizations and trade councils, educational agencies, economic development agencies and other interested organizations, with the majority and chairperson from the private sector. The objective is to involve the private sector in a partnership with government to develop and implement employment and training programs for economically disadvantaged youth and adults that address locally identified needs.

An additional 6% of the Title IIA funds are used to provide incentive awards to Service Delivery Areas that meet and/or exceed federal and state performance standards in their regular Title IIA program. A small portion of these funds are also set aside by the State Job Training Office to provide technical assistance to the Service Delivery Areas. The objective is to reward successful program deliverers by providing them with funds that can be utilized to initiate special projects and/or augment existing services. The program also strives to improve the effectiveness of Job Training Partnership Act programming throughout the state through the provision of technical assistance and the conduct of training seminars and workshops on specific topics of interest to the Service Delivery Areas.

Three percent of the Job Training Partnership Act Title IIA resources are allocated to provide employment and training services to economically disadvantaged persons 55 years of age and older. A portion of the funds are set aside to provide continuing funding for current program operators that meet certain performance requirements.

A request for proposal process is used to solicit proposals for the remaining funds. Emphasis is placed on programs that demonstrate innovative approaches to meet the employment and training needs of older individuals. The objective of the 3% program is to training and place older individuals in employment in private businesses.

Allocations totaling eight percent of the Title IIA resources are directed to facilitate coordination among education and employment and training agencies to provide services to economically disadvantaged persons. The majority of these services are targeted to public assistance recipients. The program is administered jointly by the Department and the State Board of Vocational Technical Education. The bulk of these funds are distributed via a formula method to the Service Delivery Areas. The remaining funds are allocated via a competitive request for proposals process.

The remaining 5% of the Job Training Partnership Act Title IIA funds are used to support state Job Training Partnership Act administration and oversight. This includes the Governor's Job Training Council, its committees and the administrative and staff services of the Department's State Job Training Office. The objective of these efforts is to assure that all Job Training Partnership Act employment and training programs are delivered in an effective and efficient manner with the constraints of applicable federal and state laws and regulations.

In addition to the Job Training Partnership Act Title IIA programs, Title I-VC program provides specially targeted resources to provide employment and training services to meet the needs of service-connected disabled veterans, veterans of the Vietnam Era and recently separated veterans. The primary objective of the Title IV-C program is to help veterans get back into the economic mainstream through employment in the private sector.

RESULTS:

Statistics:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989	F.Y. 1990
Total Participants	21,154	26,337	25,500	25,500	25,500
Total Placements	10,417	14,095	19,125	19,125	19,125
Average Hourly Wage	\$5.56	\$5.40	\$5.50	\$5.50	\$5.50
Cost Per Placement	\$1,923	\$1,729	\$1,800	\$1,800	\$1,800

GRANTS BY FUND:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Federal Fund	\$ 25,331	\$ 22,321	\$ 19,943	\$ 19,943
Total	\$ 25,331	\$ 22,321	\$ 19,943	\$ 19,943

EXPLANATION OF BUDGET REQUEST:

No state funds are requested. Funding is federal.

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1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : JOBS & TRAINING
PROGRAM : EMPLOYMENT & TRAINING
BUDGET ACTIVITY : JTPA PROGRAMS

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	1,152	1,126	1,104	0	1,104	1,104	1,104	0	1,104	1,104
EXPENSES/CONTRACTUAL SRVCS	167	127	127	0	127	127	127	0	127	127
MISC OPERATING EXPENSES	111	111	111	0	111	111	111	0	111	111
SUPPLIES/MATERIALS/PARTS	62	62	62	0	62	62	62	0	62	62
CAPITAL EQUIPMENT	28	28	28	0	28	28	28	0	28	28
REDISTRIBUTIONS	27	25	25	0	25	25	25	0	25	25
STATE OPERATIONS	1,547	1,479	1,457	0	1,457	1,457	1,457	0	1,457	1,457
AIDS TO INDIVIDUALS	789	784	784	0	784	784	784	0	784	784
LOCAL ASSISTANCE	24,542	21,537	19,159	0	19,159	19,159	19,159	0	19,159	19,159
TOTAL EXPENDITURES	26,878	23,800	21,400	0	21,400	21,400	21,400	0	21,400	21,400
SOURCES OF FINANCING:										
STATUTORY APPROPRIATIONS:										
FEDERAL	26,878	23,800	21,400	0	21,400	21,400	21,400	0	21,400	21,400
TOTAL FINANCING	26,878	23,800	21,400	0	21,400	21,400	21,400	0	21,400	21,400
POSITIONS BY FUND:										
FEDERAL	43.8	35.5	35.0	0.0	35.0	35.0	35.0	0.0	35.0	35.0
TOTAL POSITIONS	43.8	35.5	35.0	0.0	35.0	35.0	35.0	0.0	35.0	35.0

ACTIVITY: YOUTH PROGRAMS
Program: EMPLOYMENT AND TRAINING
Agency: JOBS AND TRAINING, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

Funded under Title IIB of the Job Training Partnership Act (PL 99-496), the purpose of the Summer Youth Employment and Training Program is to enhance the basic educational skills of youth ages 14 to 21; to encourage school completion or enrollment in supplementary or alternative school programs; and to provide low income and other at-risk youth with exposure to the world of work.

The Minnesota Youth Program is authorized by the Youth Employment Act of 1977, Minnesota Statutes, Sections 268.31 to 268.36. The Minnesota Youth Program is delivered in conjunction with the federally-funded Summer Youth Employment and Training Program and its purpose is the same. However, the state-funded program provides program operators with greater flexibility, allowing them to:

1. serve non-disadvantaged youth; and
2. implement school-year components with local educational agencies.

Youth Intervention Programs are 24 non-residential, community-based programs providing advocacy, education, counseling and referral services to youth and their families. Programs deal with youth ages 10 to 17, in the context of family, school and the community. Problems such as child abuse and family violence, delinquency prevention, chemical abuse and family economic distress and breakdown are addressed. Funding is authorized under Ch. 312, Art. 1, Sec. 23, Grants in Aid to Youth Intervention Programs. Applicants must provide a 2:1 match of local funds to state funds.

The state participates in the Juvenile Justice and Delinquency Prevention Act (P.L. 93-415), which is a federal grant for juvenile justice programs. The Minnesota Juvenile Justice Advisory Committee (appointed by the Governor) awards subgrants for programs to serve juveniles, under 18 years of age, who are at risk of involvement with the juvenile justice system or who are involved with the system, and training for youth-serving professionals. Depending upon the program, services may be available statewide, within 1 or more counties, in a city or in a neighborhood.

OBJECTIVES:

The Summer Youth Employment and Training Program targets at-risk youth, ages 14 to 21, from low-income families. Each of the state's 17 Job Training Partnership Act service delivery areas sets its own local goals but all programs aim to: convince young people to stay in school or go back if they have left; improve participant's performance in math and reading; and coordinate with schools, law enforcement agencies and chemical dependency programs. State level emphasis focuses on developing cooperative year-round programs with Area Learning Centers and other local educational agencies.

Statutory changes to the Minnesota Youth Program in 1988 modified the goals to:

1. expand services to at-risk youth;
2. address the youth literacy problem; and

3. provide operators with the flexibility to offer services year-round.

The goal of all Youth Intervention Programs is to keep young people living with their families and out of correctional institutions, foster homes, residential treatment and chemical dependency treatment facilities.

The Juvenile Justice Program encourages and funds:

1. Effective methods of preventing and reducing juvenile delinquency, with a special focus on maintaining and strengthening the family unit so that juveniles may be retained in their homes;
2. Programs to prevent delinquency, to divert juveniles from the traditional juvenile justice system and to provide critically needed alternatives to institutionalization;
3. Programs to improve the quality of juvenile justice;
4. Training programs for youth-serving professionals, paraprofessionals, and volunteers;
5. Programs to keep students in elementary and secondary schools; and
6. Programs to assist State and local governments in removing juveniles from jails and lockups for adults.

RESULTS:

In 1987, the federally funded (Job Training Partnership Act) Summer Youth Employment and Training Program provided services to 7,681 disadvantaged youth at a funding level of \$7.8 million (a 25% reduction in funding from the 1986 allotment of \$10.3 million).

During the summer of 1987, 11,542 young people sought service from the state funded Minnesota Youth Program, but, because of funding limitations, only 2,686 youth were served (68% were economically disadvantaged, 20% from families receiving public assistance, 18% handicapped, and 31% minority youth). The appropriation in the 1988-89 biennium was \$4.7 million. This represents a 40% reduction from the 1984-85 funding level and resulted in a loss of service to over 2,000 youth.

Annually, Youth Intervention Programs funded by the state serve approximately 5,000 young people. The average cost per client is \$299 (average participation ranging from 3 to 6 months). Placing a young person in a group home or residential treatment facility costs from \$3,150 to \$27,373. The average 1986 recidivism rate among Youth Intervention Programs was 7.8% vs a national average of 18% for youth referred to court. Youth Intervention Programs received \$450,000 for the 1988-89 biennium. Municipal and county funding for sponsoring agencies depends on matching State grants 2:1. At least half of the current programs exist due to the State commitment which permits the leveraging of local dollars.

Currently, 30 Juvenile Justice Programs funded at over \$1.1 million provide services through 18 counties, 15 cities, 140 school districts, and 8 other (State agencies, Indian Reservations, and non-profit organizations). Program funding is entirely Federal, but administrative dollars must be matched with state funds 1-to-1.

ACTIVITY: YOUTH PROGRAMS
(Continuation)

1990-91 Biennial Budget

Program: EMPLOYMENT AND TRAINING

Agency: JOBS AND TRAINING, DEPARTMENT OF

GRANTS BY FUND:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General				
Minnesota Youth	\$ 2,049	\$ 1,356	\$ 2,840	\$ 1,356
Youth Intervention	225	225	225	225
Subtotal General	\$ 2,274	\$ 1,581	\$ 3,065	\$ 1,581
Federal				
JTPA IIB	\$ 10,076	\$ 8,600	\$ 8,300	\$ 8,300
Juvenile Justice	848	821	784	784
Subtotal Federal	\$ 10,924	\$ 9,421	\$ 9,084	\$ 9,084
Total Grants by Fund	\$ 13,198	\$ 11,002	\$ 12,149	\$ 10,665

EXPLANATION OF BUDGET REQUEST:

Request present level of state funds with additional \$1.8 million in each year of the biennium. This will restore Minnesota Youth Program funding to 84-85 levels, cover minimum wage increases, and restore services to 2,000 youth statewide. Increased Youth Intervention Program funding would provide another 480 youth with services and allow for identification and referrals of at-risk youth to employment and training programs.

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1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : JOBS & TRAINING
PROGRAM : EMPLOYMENT & TRAINING
BUDGET ACTIVITY : YOUTH PROGRAMS

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	342	338	339	76	415	415	339	76	415	415
EXPENSES/CONTRACTUAL SRVCS	25	33	15	9	24	24	15	9	24	24
MISC OPERATING EXPENSES	23	29	18	13	31	31	18	13	31	31
SUPPLIES/MATERIALS/PARTS	3	4	2	0	2	2	2	0	2	2
STATE OPERATIONS	393	404	374	98	472	472	374	98	472	472
AIDS TO INDIVIDUALS	0	0	0	52	52	0	0	52	52	0
LOCAL ASSISTANCE	13,198	11,002	12,149	1,650	13,799	12,801	10,665	1,650	12,315	11,317
TOTAL EXPENDITURES	13,591	11,406	12,523	1,800	14,323	13,273	11,039	1,800	12,839	11,789
CHANGE REQUESTS:	FUND									
B AT-RISK YOUTH	GEN									
TOTAL CHANGE REQUESTS				1,800		750		1,800		750
SOURCES OF FINANCING:	FUND									
DIRECT APPROPRIATIONS:	GEN									
GENERAL	2,583	1,888	3,373	1,800	5,173	4,123	1,889	1,800	3,689	2,639
STATUTORY APPROPRIATIONS:	FEDERAL									
FEDERAL	11,008	9,518	9,150	0	9,150	9,150	9,150	0	9,150	9,150
TOTAL FINANCING	13,591	11,406	12,523	1,800	14,323	13,273	11,039	1,800	12,839	11,789
POSITIONS BY FUND:	FUND									
GENERAL	0.0	0.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0	2.0
FEDERAL	1.0	2.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0
TOTAL POSITIONS	1.0	2.0	2.0	2.0	4.0	4.0	2.0	2.0	4.0	4.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: YOUTH PROGRAMS
 PROGRAM: EMPLOYMENT AND TRAINING
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

REQUEST TITLE: AT-RISK YOUTH

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$1,800	2.0	\$1,800	2.0
Governor's Recommendation				
General Fund	\$ 750	2.0	\$ 750	2.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

Request additional state funding to increase the number of youth served under the Minnesota Youth Program. At least 60% must be from low income families or be at-risk. At-risk youth include dropouts, in-school youth deficient in basic skills, youth in welfare households, teen parents, youthful offenders, substance abusers and handicapped youth. The request would restore Minnesota Youth Program funding to 1984-85 levels, resulting in serving nearly 2,000 additional youth per year statewide and covering the impact of minimum wage increases. The minimum wage increased to \$3.85 per hour on January 1, 1989 and will be raised to \$3.95 per hour on January 1, 1990.

Request additional state funding to increase number of youth served through Youth Intervention Programs targeting 10-17 year olds who are at-risk of involvement with the juvenile justice system. Request will increase funding level of the 24 current grants from \$9,375 per year to \$15,625 per year. Applicants provide at least a 2:1 match of local funds to state funds. An additional 480 youth per year would be served statewide. This request will also allow for identification and referral of at-risk youth to the Minnesota Youth Program and to other employment and training programs. Of the Change Request, \$16,500 per year is requested for Minnesota Youth Program and \$150 for Youth Intervention Programs.

DESCRIPTION/BACKGROUND:

The 1988 Legislature approved statutory changes to the Minnesota Youth Program, which 1) expands services available to at-risk youth ages 14-21; 2) addresses the youth literacy problem; and 3) provides the flexibility to offer services on a year-round basis. During the summer of 1987, 11,542 young people sought Minnesota Youth Program services but, because of funding limitations, only 2,686 youth were served (68% economically disadvantaged, 20% from families receiving public assistance, 18% handicapped, and 31% minorities). Success in the workplace is closely related to basic writing, communication and computational skills. Substantial gains in employability are possible for disadvantaged youth when they are offered a combination of

services including remedial education, well-structured work experience and life skills planning.

Youth Intervention Programs are 24 non-residential, community-based programs providing advocacy, education, counseling and referral services to youth and their families. Problems such as child abuse and family violence, delinquency prevention, chemical abuse and family economic distress and breakdown are addressed by youth intervention programs. The goal is to keep young people with their families and out of correctional institutions, foster homes, residential treatment and chemical dependency treatment facilities.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Minnesota Youth Program	2,686	2,686	4,686	4,686
Youth Intervention Program	5,000	5,000	5,480	5,480

RATIONALE:

Funds requested would restore number of youth served to the 1984-85 levels and cover the impact of minimum wage increases.

Provide services to additional 480 youth and provide resources for referral to other programs.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 2,532	\$ 1,833	\$ 3,318	\$ 1,834
Minnesota Youth Program	2,307	1,608	3,093	1,609
Youth Intervention Program	225	225	225	225

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	TOTAL
General Fund Expenditures	\$ 1,800	\$ 1,800	\$3,600

GOVERNOR'S RECOMMENDATION:

This request is a component of the Governor's Adult Literacy/Dropout Prevention initiative. The Governor recommends \$1,500,000 and 2.0 positions for the biennium. New grant funds should be used to expand supportive services such as counseling, mentoring, basic and life skills education, case management, and other support activities for targetted "at-risk" youth. The Governor also recommends further development of cooperative efforts with school districts, criminal justice agencies, and other youth-serving agencies, and linkage with the community service initiative. A legislative change is required to alter current support service limits.

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ACTIVITY: WAGE SUBSIDY
 Program: EMPLOYMENT AND TRAINING
 Agency: JOBS AND TRAINING, DEPARTMENT OF

1990-91 BIENNIAL BUDGET

PURPOSE:

The Minnesota Employment and Economic Development (MEED) Wage Subsidy Program (M.S. Sec. 268.672) is a permanent State jobs program whose purpose is to assist Minnesota's unemployed and public assistance recipients in becoming economically self-sufficient by securing permanent employment.

To participate, a person must be a State resident for at least one month, be unemployed, be ineligible for or have exhausted either unemployment insurance or workers' compensation benefits and be available to work for the duration of the job offered under the program.

OBJECTIVES:

Priority is given to eligible job applicants living in households with no other source of income, persons who are eligible for general assistance, those who are eligible for AFDC and farm households that can demonstrate severe financial need.

For each individual employed under the program, the state may subsidize up to \$4 an hour in wages and up to \$1 an hour in fringe benefits for up to 1,040 hours over 26 weeks. The time can be extended to 52 weeks for workers also enrolled in a job training program. Public and private sector employers use their own funds to increase the hourly wage rate. A workers' wage is set by the employer and must be equal to the wage paid others for the same work.

Employers are required to pay back 70% of the funds received as subsidy if the employee does not continue on the job after the 6-month subsidy period. If the employee is retained one year or longer beyond the subsidized period, no repayment is required. Local Service Providers are responsible for negotiating repayment of MEED funds.

Private sector employers are encouraged to supply new employment opportunities. Priority is given to small businesses, businesses which have potential for growth and for offering new jobs on a long-term basis, businesses which make use of Minnesota resources, new technology and energy conservation, businesses which primarily operate in Minnesota and businesses which are under ownership of women and minorities.

RESULTS:

MEED continues to fulfill its objective by creating jobs for unemployed Minnesotans who require assistance in becoming economically self-sufficient and helping small businesses grow.

MEED has served 48,218 individuals from July, 1983 through June, 1988. Of the 43,000 job placements, 71% were private sector placements.

During the program year ending 6-30-88 MEED served 7,226 individuals. Five thousand nine hundred ten (82%) participants were from 1 of the 4 priority groups:

1. applicants with no other source of income;
2. GA/WR eligible;

3. AFDC eligible; and
4. farm households with financial need.

RESULTS:

Statistics:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number Placed	6,143	6,143	6,143	6,143
Number Private Sector Placements	4,388	4,607	4,650	4,700
Total Number Served	6,110	7,226	7,226	7,226
GA Eligibles	647	895	895	895
AFDC Eligibles	858	1,102	1,102	1,102
Work Readiness Eligibles	1,772	2,196	2,196	2,196
Households without Income	1,132	1,401	1,401	1,401
Farm Households with Severe Financial Need	265	316	316	316
Other Eligibles	1,436	1,316	1,316	1,316

One thousand seven hundred twenty-five private sector employers have utilized MEED as an economic development tool in order to establish their business during this same period. MEED also works as an economic development tool by helping small businesses in all segments of Minnesota's economy including: agriculture, manufacturing, construction, wholesale trade, services, finance, insurance, real estate, and transportation, communication, utilities and retail trade.

GRANTS BY FUND:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General	\$ 8,572	\$ 9,248	\$ 8,910	\$ 8,910
Special Revenue	392	1,740	492	492
Total	\$ 8,964	\$ 10,988	\$ 9,402	\$ 9,402

EXPLANATION OF BUDGET REQUESTS:

Request has level funding for continued responsiveness of the program in creating new jobs and economic development.

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1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : JOBS & TRAINING
PROGRAM : EMPLOYMENT & TRAINING
BUDGET ACTIVITY : WAGE SUBSIDY

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	240	172	172	0	172	172	172	0	172	172
EXPENSES/CONTRACTUAL SRVCS	23	31	30	0	30	30	30	0	30	30
MISC OPERATING EXPENSES	8	8	6	0	6	6	6	0	6	6
SUPPLIES/MATERIALS/PARTS	5	5	2	0	2	2	2	0	2	2
REDISTRIBUTIONS	0	0	0	0	0	<9,612>	0	0	0	<9,612>
STATE OPERATIONS	276	216	210	0	210	<9,402>	210	0	210	<9,402>
AIDS TO INDIVIDUALS	853	880	862	0	862	862	862	0	862	862
LOCAL ASSISTANCE	8,111	10,108	8,540	0	8,540	8,540	8,540	0	8,540	8,540
TOTAL EXPENDITURES	9,240	11,204	9,612	0	9,612	0	9,612	0	9,612	0
CHANGE REQUESTS: FUND										
B REDUCE WAGE SUBSIDY PROGRAM				0		<9,000>		0		<9,000>
B REDUCE WAGE SUBSIDY PROGRAM				0		<612>		0		<612>
TOTAL CHANGE REQUESTS				0		<9,612>		0		<9,612>
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	8,656	9,344	9,000	0	9,000	0	9,000	0	9,000	0
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	584	1,860	612	0	612	0	612	0	612	0
TOTAL FINANCING	9,240	11,204	9,612	0	9,612	0	9,612	0	9,612	0
POSITIONS BY FUND:										
GENERAL	3.0	2.2	2.2	0.0	2.2	0.0	2.2	0.0	2.2	0.0
SPECIAL REVENUE	10.0	3.0	3.0	0.0	3.0	0.0	3.0	0.0	3.0	0.0
TOTAL POSITIONS	13.0	5.2	5.2	0.0	5.2	0.0	5.2	0.0	5.2	0.0

ACTIVITY: DISLOCATED WORKERS
 Program: EMPLOYMENT AND TRAINING
 Agency: JOBS AND TRAINING, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

The Federal Job Training Partnership Act (JTPA) Title III program provides employment and training services for persons who, through no fault of their own, find themselves without a job due to plant closures, permanent layoff, skill obsolescence, technological change or other economic disruptions.

The Federal Trade Adjustment Act provides training, job search, relocation allowances and cash benefits (Trade Readjustment Act) to workers who lost their jobs as a result of increased foreign imports.

OBJECTIVES:

Objective of JTPA Title III is to assist workers to adjust to the dislocation, to acquire new job skills and find a new job. The program is designed to assist a worker to transition to a new job prior to the necessity of seeking and becoming dependent upon public assistance.

Placement of at least 64% of all participants at a wage of at least \$6.00 per hour. In documented economically distressed areas, the average wage must be at least \$5.00 per hour.

The Trade Adjustment Assistance program objective is to assist eligible displaced workers in obtaining employment including relocation if necessary. Trade Adjustment Assistance also finances vocational training for eligible applicants who cannot otherwise find employment. Cash benefits are paid to eligible participants based upon prescribed federal standards.

RESULTS:

JTPA Title III:	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Total Enrollments	4,812	4,500	4,200	4,200
Total Terminations				
- entered employment	2,458	2,320	2,130	2,175
- other terminations	1,457	1,305	1,270	1,275
Remaining in Program	897	875	800	750
Entered Employment Rate	62.7%	64%	64%	64%
Average Wage per Hour At Placement	\$7.92	\$8.00	\$8.00	\$8.00

Trade Adjustment Act:	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Enter Employment	532	525	500	500
Entered Training	147	150	150	150
Received Entitlement	392	400	400	400

(Dollars in Thousands)

<u>GRANTS BY FUND:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Federal	\$ 5,069	\$ 4,005	\$ 3,530	\$ 3,530
Total	\$ 5,069	\$ 4,005	\$ 3,530	\$ 3,530

EXPLANATION OF BUDGET REQUEST:

No state funding requested for regular program. The Federal Omnibus Trade and Competitiveness Act of 1988 significantly changes how this program is designed, funded and implemented. The new federal legislation places greater emphases on training; and places new responsibilities relating to rapid response on the state. Funding formula changes provide a portion of the funds directly to local service delivery areas which could affect the number of individuals served.

Trade Adjustment Assistance is federally-funded based upon needs and approved petitions.

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1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : JOBS & TRAINING
PROGRAM : EMPLOYMENT & TRAINING
BUDGET ACTIVITY : DISLOCATED WORKERS

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	188	163	95	0	95	95	95	0	95	95
EXPENSES/CONTRACTUAL SRVCS	15	13	10	0	10	10	10	0	10	10
MISC OPERATING EXPENSES	5	11	9	0	9	9	9	0	9	9
SUPPLIES/MATERIALS/PARTS	4	5	4	0	4	4	4	0	4	4
REDISTRIBUTIONS	3	3	2	0	2	2	2	0	2	2
STATE OPERATIONS	215	195	120	0	120	120	120	0	120	120
AIDS TO INDIVIDUALS	1,812	1,305	830	0	830	830	830	0	830	830
LOCAL ASSISTANCE	3,257	2,700	2,700	0	2,700	2,700	2,700	0	2,700	2,700
TOTAL EXPENDITURES	5,284	4,200	3,650	0	3,650	3,650	3,650	0	3,650	3,650
SOURCES OF FINANCING:										
STATUTORY APPROPRIATIONS:										
FEDERAL	5,284	4,200	3,650	0	3,650	3,650	3,650	0	3,650	3,650
TOTAL FINANCING	5,284	4,200	3,650	0	3,650	3,650	3,650	0	3,650	3,650
POSITIONS BY FUND:										
FEDERAL	10.0	4.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0
TOTAL POSITIONS	10.0	4.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0

ACTIVITY: DISPLACED HOMEMAKERS
Program: EMPLOYMENT AND TRAINING
Agency: JOBS AND TRAINING, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

To assist displaced homemakers in making the transition from caring for the home and family and dependence on the income of others to independence and economic self-sufficiency through employment. By definition, a displaced homemaker is an individual who: 1) was a homemaker taking care of her/his home and family and dependent on someone else or public assistance for support; 2) has lost financial support through death, divorce, separation, or spouses disability; 3) is unable to find employment adequate to support her/him self; and/or 4) meets income eligibility criteria. The program was enacted under M.S. 4.40(78) and reauthorized under Ch. 360, Sec. 3 (1987).

OBJECTIVES:

To assist displaced homemakers throughout Minnesota in the removal of barriers and development of the skills needed to successfully complete an employment plan. Barriers include fear, ignorance of resources, low self-esteem, and lack of marketable skills.

To provide intensive career exploration, vocational counseling, pre-employment preparation, job development and placement assistance directed toward self-sufficiency in the labor market via jobs and training.

To provide life skills development, personal counseling, support groups, and access to community resources in developing the personal resources necessary to redirect the displaced homemaker toward self-sufficiency.

To promote the needs of displaced homemakers and to improve the economic status of women statewide. To develop networks with social support and other employment and training agencies on a local and statewide basis to maximize understanding and referral resources.

To promote the services of Displaced Homemaker Programs on a local and statewide basis in order to reach and enroll displaced homemakers presently unserved and unidentified. To provide itinerant service in outlying sites within the 10 program service delivery areas.

RESULTS:

Statistics:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number Served	1,814	1,814	1,814	1,814
Entering Training/Education	274	274	274	274
Entering Employment	356	356	356	356
Average Wage	\$5.59	\$5.74	\$5.85	\$6.00
Entering Life Skills				
Development Workshops	1,330	1,330	1,330	1,330
Personal Counseling	1,474	1,474	1,474	1,474
Career/Educational Counseling	1,288	1,288	1,288	1,288
Received Vocational and Personal Testing				
Received Pre-Employment Preparation	785	785	785	785

From inception, Displaced Homemaker Programs in Minnesota have served over 6,000 persons, both female and male.

(Dollars in Thousands)

GRANTS BY FUND:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Special Revenue (Dedicated Fee)	\$ 869	\$ 1,054	\$ 854	\$ 854
Total	\$ 869	\$ 1,054	\$ 854	\$ 854

EXPLANATION OF BUDGET REQUEST:

Same level funding from dedicated fee income to finance basic program.

A CHANGE request in the amount of \$2 million (\$1 million F.Y. 1990 and \$1 million F.Y. 1991) requested to expand services to displaced homemakers statewide.

Four additional programs are needed in the unserved counties. These are:

<u>SOUTH</u>	<u>EAST CENTRAL</u>	<u>CENTRAL</u>	<u>NORTH CENTRAL</u>
Rice	Pine	Kandiyohi	Lake of the Woods
Goodhue	Kanabec	Meeker	Beltrami
Wabasha	Mille Lacs	Renville	Hubbard
Steele	Isanti	McLeod	Clearwater
Dodge	Chisago		
Olmstead			
Winona			
Freeborn			
Mower			
Fillmore			
Houston			

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1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : JOBS & TRAINING
PROGRAM : EMPLOYMENT & TRAINING
BUDGET ACTIVITY : DISPLACED HOMEMAKERS

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	48	80	80	0	80	80	80	0	80	80
EXPENSES/CONTRACTUAL SRVCS	6	5	5	0	5	5	5	0	5	5
MISC OPERATING EXPENSES	6	6	6	0	6	6	6	0	6	6
SUPPLIES/MATERIALS/PARTS	2	5	5	0	5	5	5	0	5	5
STATE OPERATIONS	62	96	96	0	96	96	96	0	96	96
LOCAL ASSISTANCE	869	1,054	854	1,000	1,854	1,330	854	1,000	1,854	1,330
TOTAL EXPENDITURES	931	1,150	950	1,000	1,950	1,426	950	1,000	1,950	1,426
CHANGE REQUESTS: FUND										
B DISPLACED HOMEMAKERS PROGRAM				1,000		0		1,000		0
B DISPLACED HOMEMAKERS PROGRAM				0		476		0		476
TOTAL CHANGE REQUESTS				1,000		476		1,000		476
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	0	0	0	1,000	1,000	0	0	1,000	1,000	0
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	931	1,150	950	0	950	1,426	950	0	950	1,426
TOTAL FINANCING	931	1,150	950	1,000	1,950	1,426	950	1,000	1,950	1,426
POSITIONS BY FUND:										
SPECIAL REVENUE	1.0	2.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0
TOTAL POSITIONS	1.0	2.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0

CHANGE REQUEST _____ 1990-91 Biennial Budget
 _____ Agency _____ Program X Activity

ACTIVITY: DISPLACED HOMEMAKERS
 PROGRAM: EMPLOYMENT AND TRAINING
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

REQUEST TITLE: INCREASED FUNDING OF DISPLACED HOMEMAKERS PROGRAM

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$1,000	-0-	\$1,000	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Special Revenue Fund	\$ 476	-0-	\$ 476	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

Agency requests increased funding to: 1) allow the 10 present Displaced Homemaker Programs to provide service to increase numbers in their multi-county service areas; and 2) to establish 4 additional programs to meet the needs of displaced homemakers in the 24 Minnesota counties not presently served.

DESCRIPTION/BACKGROUND:

Program provides up to 1 year of pre-employment services and removal of the barriers displaced homemakers face in moving into the work force. Assisting displaced homemakers in becoming self-sufficient is served through offering life skills development, support groups, and personal counseling coupled with career exploration, vocational counseling, job development, and placement assistance. Other services may include transportation aid, child care, work or school equipment, and referral to support services. Not all services are designed to result in placement within the year, but in F.Y. 1988 over 35% of the participants completing the program began employment and another 27% entered training.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number Served	1,814	1,800	3,000	3,000
Entered Training/Education	274	275	525	525
Entered Employment	356	350	700	700
Life Skills Development Workshops	1,300	1,300	2,000	2,000
Personal Counseling	1,474	1,500	2,500	2,500

RATIONALE:

Funding levels have not kept up with costs of program operation and service provisions. Twenty four of Minnesota's 87 counties have no program, and existing programs cannot provide the itinerant service needed to adequately serve their counties. Minnesota's displaced homemaker population is not being reached by existing programs nor are service levels adequate.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Special Revenue	\$ 931	\$ 1,150	\$ 950	\$ 950

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 1,000	\$ 1,000	\$2,000

GOVERNOR'S RECOMMENDATION:

The Governor recommends an increase of \$952,000 for the biennium from the special revenue fund. The Governor further recommends that the special revenue fund increase be paid for by an increase of twenty dollars each in the statutory marriage license and marriage dissolution fees, to be split equally between the Displaced Homemakers program in the Department of Jobs and Training and the Battered Women's program in the Department of Corrections. This increase should be used primarily to expand services to areas of the state that are currently unserved.

CCHGREQ.14
 1-12-89 p.m.

ACTIVITY: EMPLOYMENT PROGRAMS
Program: EMPLOYMENT AND TRAINING
Agency: JOBS AND TRAINING, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

Employment Programs provide the public with a variety of state and federal job placement, counseling and related employment services. The majority of these services are designed to assist qualified individuals to obtain unsubsidized employment.

The primary program is the federally funded Job Service, a nationwide labor exchange which matches jobseekers with employers at no cost to either. The Job Service delivers a wide variety of services to all 87 counties through a statewide network of more than 60 offices. Extensive services are provided to employers to meet their employment needs with qualified workers. Job Service utilizes community resources through more than 30 local Job Service Employer Committees. Services are provided to Job Training Partnership Act Service Delivery Areas through contract to meet employment related responsibilities as a result of Job Service expertise in the field. Provide special service through programs such as Re-employ Minnesota, Statewide Job Search and Job Match.

Other employment programs are designated to meet the needs of specific groups: Veterans Programs are federally funded placement services for veterans, and the federally funded Senior Community Service Employment Program promotes employment for low-income older workers. The Federal Bureau of Labor Statistics program collects employer statistics for the federal government. Labor Market Information activities include the gathering, analyses and dissemination of data on employment and unemployment to assist the state, federal and local governments in planning for economic development needs and projecting occupational demands.

Opportunities Industrialization Center (OIC) programs provide disadvantaged, unemployed and underemployed and special targeted groups such as offenders with job training and supportive services. The Opportunities Industrialization Center community based centers are financed by a unique mixture of state, private and public sector grants and contributions. The centers located in the metropolitan area provide additional specialized programs in the correctional facilities in Stillwater and the women's correctional facilities in Roseville.

OBJECTIVES:

The Job Service seeks to improve services to job seekers and employers despite inflation, increased operating costs and reduced or same level federal funding. Area office organization will be studied and computerized job match and job search systems will continue to be enhanced to streamline operations and improve program effectiveness and efficiency. Area office staff flexibility will be increased by consolidating job classifications. Public information efforts will promote awareness of available services.

The other employment programs strive to assist members of specified target populations to obtain meaningful employment by offsetting identified barriers and providing assistance and resources as needed. Maximize coordination between programs and resources to improve services and outcomes. Provide in-

centives to both applicant and employer populations to enhance the match of workers to existing jobs.

RESULTS:

Statistics:	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
JOB SERVICE				
Job Openings Received	159,986	126,965	126,965	126,965
Job Openings Filled	90,388	84,110	84,110	84,110
UI Claimants Placed	7,078	5,025	5,025	5,025
Veterans Placed	10,311	10,000	10,000	10,000
Job Search Installations	14	44	70	95
OTHER PROGRAMS				
Older Workers placed in jobs - SCSEP	47	61	61	61
Enrolled in Training - OIC	287	200	200	200
Research Studies - LMI	2	4	5	6
Requests for Information - LMI	4,500	5,400	6,300	7,200

(Dollars in Thousands)

<u>GRANTS BY FUND:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General	\$ 225	\$ 225	\$ 225	\$ 225
Federal	2,708	2,722	2,722	2,722
Total	\$ 2,933	\$ 2,947	\$ 2,947	\$ 2,947

EXPLANATION OF BUDGET REQUEST:

Employment Programs are primarily federally funded, many through the U.S. Department of Labor. Same or reduced funding levels have and will continue to limit the quantitative and qualitative level of service to the public.

Three CHANGE requests totaling \$830 are included in this activity (\$415 F.Y. 1990 and \$415 F.Y. 1991). A CHANGE request in the amount of \$400 is to increase the quality and quantity of labor market information available. The second in the amount of \$80 is to fund the continued operation of the Indian Employment Program in the Bemidji Area. The third will support expansion of the services of the opportunities industrialization centers at a cost of \$350.

CJOBEMPR.ACT
 11/16 - a.m.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : JOBS & TRAINING
PROGRAM : EMPLOYMENT & TRAINING
BUDGET ACTIVITY : EMPLOYMENT PROGRAMS

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	15,329	15,311	15,211	145	15,356	15,245	15,211	145	15,356	15,245
EXPENSES/CONTRACTUAL SRVCS	1,686	1,779	1,779	45	1,824	1,781	1,779	45	1,824	1,781
MISC OPERATING EXPENSES	785	813	813	10	823	817	813	10	823	817
SUPPLIES/MATERIALS/PARTS	311	401	401	0	401	401	401	0	401	401
CAPITAL EQUIPMENT	124	146	146	0	146	146	146	0	146	146
REAL PROPERTY	51	0	0	0	0	0	0	0	0	0
REDISTRIBUTIONS	156	2,157	2,157	0	2,157	2,157	2,157	0	2,157	2,157
STATE OPERATIONS	18,442	20,607	20,507	200	20,707	20,547	20,507	200	20,707	20,547
AIDS TO INDIVIDUALS	1,164	1,200	1,200	0	1,200	1,200	1,200	0	1,200	1,200
LOCAL ASSISTANCE	1,769	1,747	1,747	215	1,962	2,582	1,747	215	1,962	2,582
TOTAL EXPENDITURES	21,375	23,554	23,454	415	23,869	24,329	23,454	415	23,869	24,329
CHANGE REQUESTS:										
B INDIAN EDUCATION AND EMPLOYMENT				40		0		40		0
B LABOR MARKET INFORMATION				200		0		200		0
B OPPORTUNITIES INDUSTRIALIZATION CTRS				175		175		175		175
B HOSPITALITY HOSTS				0		700		0		700
TOTAL CHANGE REQUESTS				415		875		415		875
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	225	325	225	415	640	1,100	225	415	640	1,100
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	0	2,000	2,000	0	2,000	2,000	2,000	0	2,000	2,000
FEDERAL	21,150	21,229	21,229	0	21,229	21,229	21,229	0	21,229	21,229
TOTAL FINANCING	21,375	23,554	23,454	415	23,869	24,329	23,454	415	23,869	24,329

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : JOBS & TRAINING
PROGRAM : EMPLOYMENT & TRAINING
BUDGET ACTIVITY : EMPLOYMENT PROGRAMS

SOURCES OF FINANCING:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
GENERAL	0.0	2.0	0.0	3.5	3.5	1.0	0.0	3.5	3.5	1.0
FEDERAL	655.1	506.0	506.0	0.0	506.0	506.0	506.0	0.0	506.0	506.0
TOTAL POSITIONS	655.1	508.0	506.0	3.5	509.5	507.0	506.0	3.5	509.5	507.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: EMPLOYMENT PROGRAMS
 PROGRAM: EMPLOYMENT AND TRAINING
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

REQUEST TITLE: INDIAN EDUCATION AND EMPLOYMENT PROGRAM

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 40	-0-	\$ 40	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency is requesting funding to assist the Bemidji Area Employment Council (BAEC), a local non-profit organization, to work with employers and the Indian Community for the purpose of employing Indians in the Bemidji area. Objective is to provide equity of access to both programs and employment for Indians.

The program works with employers to change their perception of Indians in the community and to increase awareness of their employment needs. Funds will be used to provide employment counseling, job seeking skills workshops in conjunction with the Technical Institute, and Job Fairs to bring together employers and Indians seeking work.

DESCRIPTION/BACKGROUND:

The Bemidji area has a large Indian population but has not been successful in securing employment. To address the problem, the Bemidji Area Employment Council was established to determine why Indians were not successful in getting jobs and what needed to be done to increase employment opportunities. The BAEC, in conjunction with Bemidji State University, conducted a survey of employer attitudes and is currently conducting a survey of the attitudes of Indians seeking work. They have concluded that there needs to be ongoing communication with both public and private sector employers to increase awareness of the needs of the Indian community. At the same time, they have found that Indian job seekers benefit from intensive job seeking skills training and peer support while looking for jobs.

RATIONALE:

Unemployment among American Indians has been a long standing problem. It has been demonstrated that special emphases must be placed on assisting these people in order to reduce the barriers to meaningful employment. The BAEC has demonstrated its success in increasing job opportunities for Indians in the Bemidji area, however, they do not have funding to continue to provide these services on an on-going basis.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Entered Employment	0	0	50	50

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	TOTAL
General Fund Expenditures	\$ 40	\$ 40	\$ 80

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

CCHGREQ.15
 1-4-89 p.m.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: EMPLOYMENT PROGRAMS
 PROGRAM: EMPLOYMENT AND TRAINING
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

REQUEST TITLE: STATE AND LOCAL LABOR MARKET INFORMATION (LMI)

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 200	3.5	\$ 200	3.5

Governor's Recommendation

General Fund	\$ -0-	-0-	\$ -0-	-0-
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Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

Requests funds to support the collection, analysis, and distribution of labor market information vital to support the state's job creation, job placement, employment and training, and economic development efforts. The need for labor market information among state agencies and policy makers, local government, non-profit organizations, economic development agencies, public and private placement agencies, and private businesses has grown. At the same time, federal funding for labor market information has fallen from \$724,000 in 1981 to \$357,000 in 1987. Federal funding is projected to remain below \$400,000, considerably less than is required to supply the need for information.

DESCRIPTION/BACKGROUND:

Responsibility for designing and maintaining a comprehensive LMI system which supports state and local economic development, education and training planning was shifted from the federal government to the Governor with the passage of Job Training Partnership Act (JTPA). While the Bureau of Labor Statistics provides funding for the data collection programs of federal interests, it does not provide funding for the development of local data and analysis. Reduced funding from the Wagner-Peyser Act and JTPA has considerably reduced the allocation for LMI activities. Increasing number of states have appropriated supplementary funding for LMI analysis and dissemination.

This request provides funding for research analysts and for the dissemination of labor market information. Such funding would increase the agency's LMI analytical capacity by 30%, improve the quality and quantity of labor market publications, decrease the turn around time for information requests by 20%, and provide support for user training and participation in the Governor's

Economic Report and at least 3 in-depth special studies per year. Industry and occupational employment projections will also be done for the state and the Greater Minnesota Area to year 2000 in addition to near-term years (1993).

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number of Labor Market Information requests	4,500	5,400	6,300	7,200
Number of publications	10	10	14	14
Special research studies	2	4	5	6

RATIONALE:

The labor market and economic information collected by the department provides the statistical information to support state and local economic development, job development, and employment and training initiatives. As public and private non-profit involvement in economic development has increased, so has the demand for accurate and timely labor market information and analysis. The Department of Jobs and Training is the largest unit of the state involved in the collection, analysis and dissemination of economic and labor market statistics. As such it in an excellent position to enhance its capability to analyze labor market data and to conduct objective labor market studies that will improve the state's economic development, job development and employment and training efforts.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 0	\$ 0	\$ 0	\$ 0
Federal Fund	329	318	308	308
Total	\$ 329	\$ 318	\$ 308	\$ 308

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	TOTAL
General Fund Expenditures	\$ 200	\$ 200	\$ 400

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. This activity is supported by all of the departments major funding sources. The request can be funded by internal reallocation if judged to be of high enough priority by department management.

CCHGREQ.16
 1-10-89 p.m. pl

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: EMPLOYMENT PROGRAMS
 PROGRAM: EMPLOYMENT AND TRAINING
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

REQUEST TITLE: OPPORTUNITIES INDUSTRIALIZATION CENTERS (OIC)

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 175	-0-	\$ 175	-0-
Governor's Recommendation				
General Fund	\$ 175	-0-	\$ 175	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests additional funding of \$175,000 per year to expand the service capabilities of the Opportunities Industrialization Center (OIC) programs. This increase is requested for the following:

- \$30,000 per year (\$10,000 per Opportunities Industrialization Center) to restore and supplement base-level funding for the 3 Opportunities Industries Centers currently operating in St. Paul, Ramsey County (RCOIC); North Minneapolis (TCOIC); and South Minneapolis (American Indian OIC).
- \$35,000 per year as base-level funding for the newly established Aneshinabe Opportunities Industrialization Center on the Mille Lacs Indian Reservation.
- \$102,000 per year to maintain Opportunities Industrialization Center training and placement services for offender and ex-offender populations at the Stillwater Correctional Facility and the Volunteers of America, Women's Correctional Facility at Roseville, Minnesota.
- \$8,000 per year to improve the management and coordinating services of the State Council's administration.

DESCRIPTION/BACKGROUND:

The Opportunities Industrialization Centers are community-based organizations that provide specialized employment and training services to "hard to reach and teach" clients from target-need groups. That include minorities and welfare recipients. The programs have proven successful in recruiting and servicing those clients that never apply or drop-out of the more institutionalized training program. Comprehensive services include: Outreach/recruitment; counseling; remediation; motivational and pre-vocational training; job development and placement.

Twin Cities Opportunities Industrialization Center was chartered in 1967, followed by Ramsey County in 1974 and the American Indian Opportunities Industrialization Center in 1979. Funding over the years has come from a combination of public and private sector grants and contributions. State support of the program was first authorized by the 1983 legislature M.S. 268.60, with an appropriation of \$550,000 for the 1984-85 biennium. The appropriation provided resources to provide comprehensive job training and placement services to an additional number of economically disadvantaged, unemployed and underemployed state residents. They also support the State Council Office in its administration and coordination role and enable it to develop new programs. In the Jobs and Training legislation of 1985, Opportunities Industrialization Centers are cited in M.S. 268.011, Subd. 4, "Employment & Training Services" and 268.871, Subd. 2, "Contracting Preference".

In F.Y.s 1984 and 1985, the first biennial grant period, the programs enrolled a total of 2,386, and successfully placed or positively terminated 841 clients. State funding and services amounted to 21%. In F.Y. 1986 and 1987, state funding was reduced to \$300,000 for the biennium. Under a separate state contract for services over the 2 year period, the Opportunities Industrialization Centers enrolled 249, trained 157 and placed or positively terminated 151 clients.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Enrolled/Served	287	200	350	350
Trained	167	155	270	270
Placed/Higher Education	102	100	159	159

- F.Y. 1988:
- Percent Welfare Placed - 54%
 - Average Wage at Placement - \$12,731 per year
 - Percent Minorities Served - 83%

RATIONALE:

The funds requested would:

1. Establish a program on the Mille Lacs Indian Reservation. This pilot/demonstration Employment and Training/economic development project, would serve as a national demonstration project and would be the first Opportunities Industrialization Center program in the U.S. to operate on an Indian Reservation. State funds would be matched with other public and private sector monies, in a program designed to serve 60 participants each program year.
2. Assist with a pilot, demonstration program at Stillwater Correctional Facility to provide literacy, adult basic education, attitudinal/motivational training and a post-release placement and referral system, to a target group of minority males. Also to provide basic remedial education and clerical skills training along with placement services to female offenders at the Correction Facility for Women at Roseville. Both projects are endorsed by prison administration and the Department of corrections. The Stillwater project was started in August of 1987 and operated through 6-30-88, when start-up funding was exhausted. The Volunteers of America project has been operated successfully since 1985 by Ramsey County Opportunities Industrialization Centers with private funding which is now exhausted. State funding will enable these programs to continue and serve 100 offenders.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget
 (Continuation)

ACTIVITY: EMPLOYMENT PROGRAMS
 PROGRAM: EMPLOYMENT AND TRAINING
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

BASE:	(Dollars in Thousands)			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General Fund	\$ 225	\$ 225	\$ 225	\$ 225

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>TOTAL</u>
General Fund	\$ 175	\$ 175	\$ 350

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CCHGREQ.17
 1-4-89 p.m.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: EMPLOYMENT PROGRAMS
 PROGRAM: EMPLOYMENT AND TRAINING
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

REQUEST TITLE: HOSPITALITY HOST

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Governor's Recommendation				
General Fund	\$ 700	1	\$ 700	1

Request requires statutory change: X Yes _____ No
 Statutes Affected: New Legislation

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$1,400,000 and one position for the biennium.

STATEMENT OF REQUEST/OBJECTIVE:

Funds are requested to continue a successful employment program for older workers and to expand the concept to a statewide basis. The program, Hospitality Host, currently operating in Northeastern Minnesota has demonstrated the potential of providing part-time/seasonal employment for persons 55 years of age and older, promote tourism as an industry, and increase the impact of the tourism industry in local areas.

The program's objectives are: to assist in the diversification of industry in rural areas by stimulating and promoting tourism; to create full-time and part-time employment for low-income persons over 55 years of age and; to raise the incomes of those who are currently living below the federal poverty level. It is also an objective to promote tourism in selected local areas thereby increasing the economic impact on the local community.

Funds will be used to provide outreach, selection of eligible clients, orientation, training and on-the-job training in the actual employment setting. Funds will also be utilized to promote the program and identify specific work sites that will become the permanent employer of the senior citizens.

DESCRIPTION/BACKGROUND:

The Arrowhead Economic Opportunity Agency in Northeastern Minnesota has operated a pilot project funded by federal resources since January, 1986 and has developed a model suitable for use in other areas of the state. Federal funds are available only through December 31, 1989 for the pilot project. No

federal funds are available beyond that date. The agency, through development and marketing of the program model, has been able to place one hundred percent of their graduating clients into employment. More than 60 persons are now working in the program which enjoys a ninety-five percent retention rate of those placed.

The program trains persons 55 years of age and older from low-income households as tour guides to promote not only their home areas but other points of interest within their region and the state. These people will be employed by tourist information centers, chambers of commerce, individual resorts and hotels or resort and hotel associations and tourist areas. Experience has been gained from project operations in the Arrowhead Area and in the cities of Brainerd and Bemidji.

The program funded by the state through the Minnesota Department of Jobs and Training will be coordinated by the Arrowhead Economic Opportunity Agency. The Agency will develop six (6) new program sites in each year of the biennium providing approximately 33 hosts per site for a total of 400 jobs during the two year period. Although coordinated by the Arrowhead Economic Opportunity Agency, sites will be developed through proposals originated by local areas throughout the state. Training and supervision will be provided by Arrowhead staff with job sites actually developed and committed before the training begins. Employment ordinarily starts at twenty hours per week but experience shows many workers work up to 40 hours a week with a number working year round rather than just during the ordinary tourist season. Training includes classroom activities for approximately 135 hours followed by actual experience through on-the-job training for 21 weeks reimbursed fifty percent by the project and fifty percent by the employing organization who must contractually agree to continue employment on a permanent basis following completion of the training. Wages average \$4.00 per hour at entry with variations due to local wage scales.

RATIONALE:

Many rural areas are experiencing extreme hardship. Primary industries such as mining, forestry and farming have eroded and few industries have developed to take their place. The aging population has increased at a time when jobs are decreasing and sources to assist economically disadvantaged older workers are dwindling. The number of people 55 and older living in these economically distressed areas and living below the poverty level has also increased. Efforts to diversify economies in these areas are targeting tourism as one viable and potentially long lasting resource available for development. The Hospitality Host project compliments local tourism efforts as well as providing much needed employment for the aging population. Many senior citizens are living on fixed incomes, which have not kept pace with increasing costs. This project ties all of these factors into a cohesive effort to employ the targeted senior citizen, provide supplemental income and at the same time increase tourism in economically distressed areas.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Entered Employment	35	40	150	250

CHANGE REQUEST 1990-91 Biennial Budget
 _____ Agency _____ Program X Activity
 (Continuation)

ACTIVITY: EMPLOYMENT PROGRAMS
 PROGRAM: EMPLOYMENT AND TRAINING
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

	<u>(Dollars in Thousands)</u>			
<u>BASE:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General Fund Expenditures	0	0	0	0
Federal Funds	88	101	34	

	<u>(Dollars in Thousands)</u>		
<u>LONG RANGE IMPLICATIONS:</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>TOTAL</u>
General Fund Expenditures	700	700	1,400

CCHGREQ.19
 1/12/89 a.m.

ACTIVITY: INTAKE, REFERRAL AND INVENTORY SYSTEM 1990-91 Biennial Budget
Program: EMPLOYMENT AND TRAINING
Agency: JOBS AND TRAINING, DEPARTMENT OF

EXPLANATION OF BUDGET REQUEST:

IRIS was funded by a state appropriation of \$100,000 in 1988. These funds are being used to meet the project objectives, including the Feasibility Study, Needs Assessment, and Design Study for the Intake and Tracking Subsystem.

PURPOSE:

To develop an Inventory, Referral and Intake System (IRIS) which meets state requirements for a coordinated delivery of employment and training, income maintenance, support services, efficient client referral among programs and services, reduction of duplicate data collection, combined program intake by local agencies, and effective evaluation of employment and training services.

A CHANGE request in the amount of \$1,800 is included.

IRIS will improve services to clients by giving both clients and staff information needed to make sound decisions. It will also improve the use of state resources through better program planning and evaluation.

To accomplish this purpose, two independent complementary subsystems have been envisioned. These subsystems are:

CJOBIRIS.ACT
11/16 - p.m.

- Intake and Tracking. This subsystem will establish an information network between existing and future systems. A key component here is the development of an inter-departmental client index. This index will serve as a kind of master file of Human Services and Jobs and Training clients.

- Inventory and Referral. This subsystem will employ the use of expert system software to perform a detailed Needs Assessment on clients. The needs identified through this process will be electronically matched with the appropriated the Department of Human Services and/or the Department of Jobs and Training program or service.

OBJECTIVES:

Conduct a feasibility study to determine the basic design for the Intake and Tracking subsystem. The feasibility of a basic design will be assessed relative to cost and effectiveness.

Determine specific needs and requirements that should be satisfied by the design and functions of the Intake and Tracking Subsystem.

Complete the Intake and Tracking Subsystem design and the implementation of a pilot site to test the design.

Determine specific needs and requirements that should be satisfied by the design and functions of the Inventory and Referral Subsystem.

RESULTS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Number of User Sites	0	10	0	0
Number of Program System on IRIS (IRIS Data Base)	0	2	0	0

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : JOBS & TRAINING
PROGRAM : EMPLOYMENT & TRAINING
BUDGET ACTIVITY : INTAKE, REFERRAL & INVENTORY SYSTEM

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	0	236	0	170	170	0	0	170	170	0
EXPENSES/CONTRACTUAL SRVCS	0	132	0	115	115	0	0	215	215	0
MISC OPERATING EXPENSES	0	15	0	10	10	0	0	10	10	0
SUPPLIES/MATERIALS/PARTS	0	3	0	5	5	0	0	5	5	0
CAPITAL EQUIPMENT	0	14	0	450	450	0	0	650	650	0
TOTAL EXPENDITURES	0	400	0	750	750	0	0	1,050	1,050	0
CHANGE REQUESTS:										
	FUND									
B INTAKE, REFERRAL & INVENTORY SYSTEM	GEN									
				750		0		1,050		0
TOTAL CHANGE REQUESTS				750		0		1,050		0
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	0	100	0	750	750	0	0	1,050	1,050	0
STATUTORY APPROPRIATIONS:										
FEDERAL	0	300	0	0	0	0	0	0	0	0
TOTAL FINANCING	0	400	0	750	750	0	0	1,050	1,050	0
POSITIONS BY FUND:										
GENERAL	0.0	1.5	0.0	4.0	4.0	0.0	0.0	4.0	4.0	0.0
FEDERAL	0.0	3.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL POSITIONS	0.0	5.0	0.0	4.0	4.0	0.0	0.0	4.0	4.0	0.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: INTAKE, REFERRAL AND INVENTORY SYSTEM
 PROGRAM: EMPLOYMENT AND TRAINING
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

REQUEST TITLE: INTAKE, REFERRAL AND INVENTORY SYSTEM (IRIS)

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 750	4.0	\$1,050	4.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

Request funds for the development and implementation of IRIS. The system will include inventory, referral and client intake information on all available public and private programs for employment and training services, income maintenance and support services (about 44 programs). Optionally, the inventory and referral subsystem may include educational services, and other state and local services. These programs maintain approximately 2,000,000 client records each year. With a few minor exceptions, the Departments of Human Services and Jobs and Training are responsible for these programs. It is the joint responsibility of the 2 departments to plan, develop and implement IRIS.

DESCRIPTION/BACKGROUND:

The requirement to create IRIS was enacted by the legislature in 1985, to serve as an information bridge between the Department of Human Services and the Department of Jobs and Training to coordinate and improve client service and program delivery.

IRIS will improve services to clients by providing both clients and staff the information needed to make sound decisions. It will improve use of state resources through better program planning and evaluation.

Two independent complementary subsystem have been designed. These are: Intake and Tracking and Inventory and Referral.

RATIONALE:

Given the current delivery environment of programs and services administered by both the Departments of Human Services and Jobs and Training, it has become extremely difficult for information to efficiently flow between the clients, counselors, departments and the legislature. The state is committed to serving clients in the most timely and effective manner, to do this requires information to flow between the various program deliverers. This is the major objective to be met by IRIS.

IRIS will address 2 key concerns facing clients and deliverers: 1) ability to provide clients with the information on the programs they need; and 2) ability to track clients as they move through the various Department of Human Services and/or Department of Jobs and Training programs.

When a client enters a program for service it is difficult for the counselor to get a complete picture of the programs and services accessed by the client. The inability to do this leads to inefficient use of resources through service duplication. Also, this inability to track clients through the various programs prevents the state from doing any meaningful analysis of the effectiveness of various programs.

The client can also experience great difficulty in becoming aware of the various programs available to meet their needs.

Presently, there a number of major system efforts underway within both Departments. To coordinate these efforts through IRIS will result in substantial dollar savings in the future.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 0	\$ 100	\$ 0	\$ 0

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	TOTAL
General Fund Expenditures	\$ 495	\$ 495	\$ 990

GOVERNOR'S RECOMMENDATION:

This request has been reviewed and not recommended for funding by the Information Policy Office (IPO). The Governor concurs with the IPO recommendation.

CCHGREQ.18
 1-10-89 p.m. p1

1990-91 BIENNIAL BUDGET

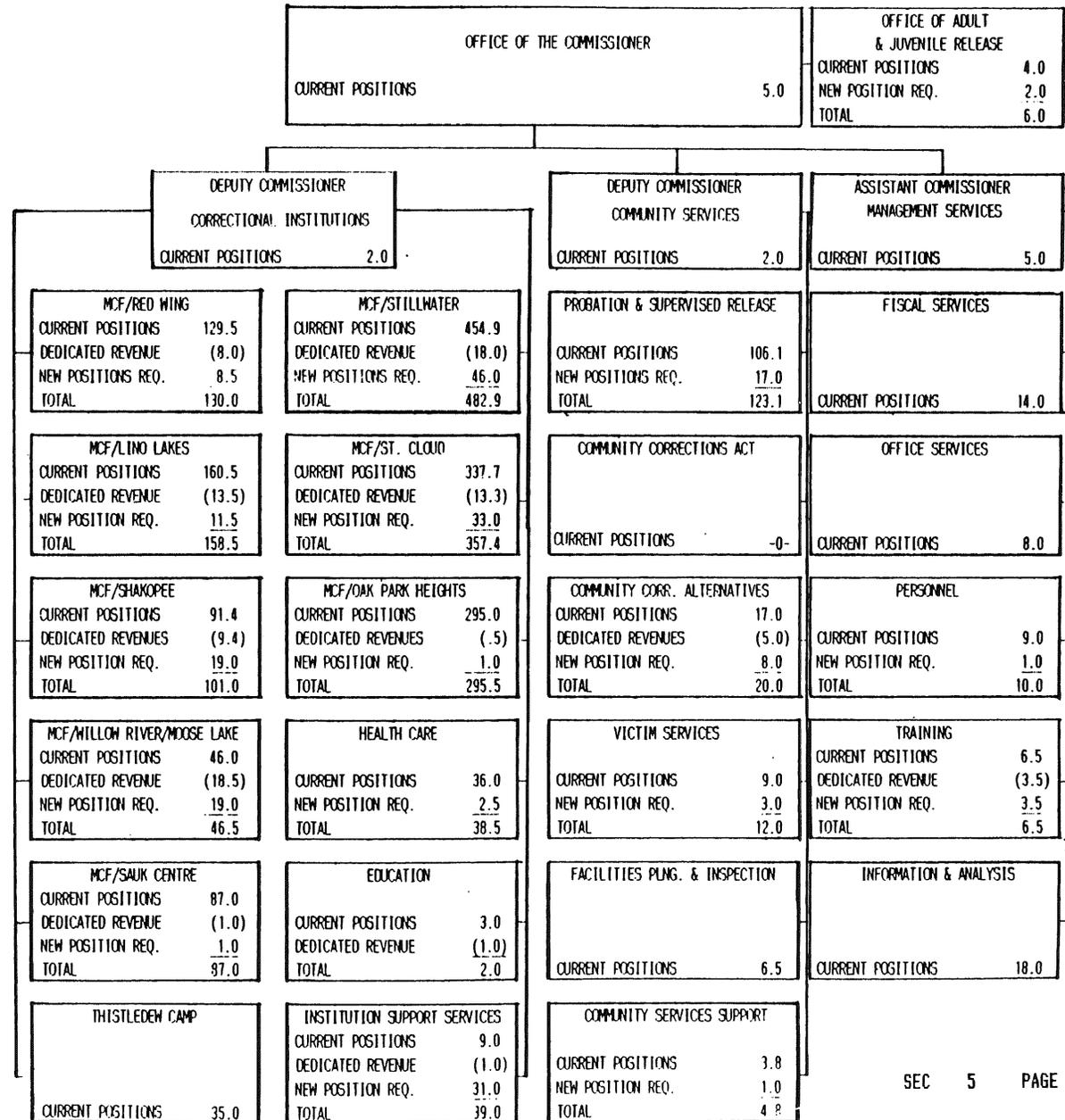
PROGRAM STRUCTURE

AGENCY: CORRECTIONS, DEPARTMENT OF

<u>PROGRAM</u>	<u>ACTIVITIES</u>	<u>SECTION</u>	<u>PAGE</u>
	MCF-Red Wing	5	19
	MCF-Lino Lakes		22
	MCF-Shakopee		25
	MCF-Willow River/Moose Lake		29
	MCF-Sauk Centre		32
CORRECTIONAL INSTITUTIONS-----	Thistledeew Camp		35
	MCF-Stillwater		37
	MCF-St. Cloud		41
	MCF-Oak Park Heights		44
	Health Care		47
	Education		51
	Institution Support Services		53
	Probation and Supervised Release		59
COMMUNITY SERVICES-----	Community Corrections Act		63
	Community Correctional Alternatives		66
	Victim Services		71
	Facilities Licensing and Inspection		80
	Community Services Support		82
	Administrative Management		89
MANAGEMENT SERVICES-----	Fiscal Services		95
	Office Services		97
	Personnel		99
	Training		101
	Information and Analysis		103

DEPARTMENT OF CORRECTIONS ORGANIZATION CHART 7/1/88

POSITION RECONCILIATION		
AUTHORITY:	Current FY89	Requested FOR 6/30/91
LEGISLATIVE AUTHORIZED:		
General Fund	1,686.1	1,894.1
Special Revenue	54.0	40.8
Federal	8.0	8.8
Agency	2.0	1.5
Correctional Industry	72.0	71.0
BUDGETED AUTHORIZED:		
Special Revenue	67.3	
Federal	4.6	
Gifts and Deposits	2.0	
Correctional Industry	4.9	
TOTAL PERMANENT POSITIONS	1,900.9	2,016.2
OTHER COMPLEMENT (FTE)	84.0	
TOTAL AUTHORIZED POSITIONS	1,984.9	
EMPLOYEES ON 6/30/88	1,983.0	



AGENCY PURPOSE:

The Department of Corrections is a service and regulatory agency which develops and implements plans for the operation of institutions and community programs for adjudicated delinquents and adult felons. The department establishes standards and provides money and technical assistance to counties for a wide variety of community corrections programs.

The primary goal of the department is to protect society by reducing criminal behavior both through incarceration of offenders and through the development of programs which will increase the likelihood that those committed to the custody of the department will function as law-abiding citizens when returned to the community.

OPERATIONS AND CLIENTELE:

The Department of Corrections operates 9 institutions with an average daily population of over 3,000. It provides parole and probation services to approximately 9,300 persons annually and subsidy funds and technical assistance to 28 counties under the Community Corrections Act and numerous community programs.

Primary clients are inmates, parolees, supervised releasees and probationers. Secondary clients are others in the criminal justice system including Community Corrections Act advisory boards, judges, police, county attorneys, crime victims and the public at large.

The department's operation falls into 3 major program areas:

1. Correctional Institutions - deals with all aspects of the incarceration of and services to inmates. They provide security, education and vocational programs and voluntary rehabilitative services. This program also encompasses responsibility for administering health care, education, transporting inmates interstate and intrastate and industries coordination.
2. Community Services - provides supervised release, parole and probation services; plans, assists and monitors participation in the Community Corrections Act; and coordinates and evaluates the operation of community programs. In addition, this activity includes planning and the inspection of all state and local correctional facilities. It also administers the victims services programs.
3. Management Services - provides overall administration of the department including fiscal, personnel, training, office services, affirmative action and information and analysis. It also includes the offices of adult and juvenile release and planning for women offenders.

BUDGET ISSUES:

When the 1988-89 budget was approved, plans called for the use of some dedicated receipts to supplement general fund appropriations in numerous institutional areas. Dedicated receipts were also slated for a variety of other correctional purposes such as development of local Sentencing to Service (STS) programs and reinstatement of the department's training academy for correctional officers. Budget plans also called for the phasing down of the

program to house contract inmates.

However, substantial increases in the number of Minnesota inmates required the continued housing of contract inmates. This was necessary to supplement appropriated dollars to allow expansion of the system's bed capacity. Population projections showed that expansion would be essential to house Minnesota inmates in the future. Per diems collected by housing contract inmates paid for additional beds which will be needed for Minnesota inmates. The per bed cost to operate these additional beds was less than the per diem charged for contract inmates. Contract inmates remain in the system to:

1. continue funding of bed expansion needed for Minnesota inmates; and
2. continue funding for institution operations and other correctional programs such as the correctional officer training academy.

Dedicated receipts were used to fund expanded bed capacity at the St. Cloud, Willow River/Moose Lake, Red Wing, Lino Lakes, and Stillwater facilities. Receipts were also used to expand work release programming which helped increase bed capacity.

These expansions increased the department's total adult male inmate bed capacity to 2,832. According to population projections for the remainder of F.Y. 1989, this capacity will be adequate to house Minnesota and contract inmates until approximately March, 1989. Since contract inmates must be maintained until the end of the biennium (7-30-89) there will be several months which will require some further expansion on a temporary basis. Contingency plans call for increased work release usage and possibly a temporary dormitory at the Minnesota Correctional Facility-St. Cloud or an additional unit at Moose Lake. The department requests funding for the population increase and the replacement of dedicated receipts.

In the area of Community Services, the department is experiencing an increased workload in Probation and Supervised Release. Funds and positions are being requested to enable the department to conduct quality and timely investigative services for the state district courts and to supervise those persons on probation and supervised release at a level commensurate with public safety.

Two additional counties have indicated an intent to participate in the Community Corrections Act and funding to include Dakota and Rice Counties is requested. In addition, a funding increase to all counties in the Act is needed to provide resources for supervision and surveillance to offenders retained in the local communities. This would increase state support at a time when local agencies are dealing with a growing number of offenders.

Victim Service resources are needed both for the administration and for grants to local agencies that are serving an increased number of victims. This includes providing basic services where no services or only minimal services exist.

The Advisory Task Force on the Women Offender was created to ensure that adult women convicted of crimes would be provided equivalent programming as that offered to men convicted of crimes. In 1986, a State Plan on Women Offenders recommended exploring regional programming and jail alternatives. Funding requested would provide for some of these alternatives through grants to local agencies.

AGENCY: CORRECTIONS, DEPARTMENT OF
(Continuation)

1990-91 Biennial Budget

The department also requests funding for computer technology upgrades and positions to support the automation of information. This request supports the goals of the Corrections' long range plan.

While not all CHANGE requests are highlighted here, they are extremely important and essential to the operation of a agency with a rapidly growing client population.

ATTORNEY GENERAL COSTS:

Fees for Legal Services Rendered	Actual		Agency Request	
	F.Y. 1988	F.Y.1989	F.Y.1990	F.Y.1991
Fees Assessed	\$ 211	\$ 236	\$ -0-	\$ -0-
Fees Paid	106	118	-0-	-0-
Requested Budget	62	62	126	135

INDEX	(Dollars in Thousands)		Page
	Agency Request	Governor's	
	1990-91 Biennium	Recommendation	
	All Funds	All Funds	
BASE Level Request	\$ 260,321	\$ 260,321	
Agency-wide CHANGE Requests			
Population Increase/Funding Change	13,660	12,910	6
Pre-Service/In-Service Training	442	306	7
Computer Technology Upgrade	1,576	1,000	9
Subtotal	15,678	14,216	
Program/Budget Activity CHANGE Requests			
Population Contingency	4,500	4,500	15
Food Provisions Adjustment	554	554	17
Literacy Program	540	-0-	18
Repair & Replacement Projects	1,028	700	16
Subtotal Instit. Program Change	6,622	5,754	
MCF-Shakopee-New Programs	196	-0-	28
MCF-Stillwater-AA Officer	70	70	40
Health Care AIDS Funding	484	-0-	49
Health Care-Staff Positions	-0-	-0-	50
Support Svcs.-MN Jail Resource	166	128	55
Subtotal Instit. Budget Act.	916	198	
Probation & Supervised Release			
County Requested Probation Services	\$ 174	174	61
Client/Workload Increases	1,184	1,040	62
Community Corrections Act	13,024	13,024	65
Community Correctional Alternatives			
Statewide Sentencing to Svc.	1,907	1,300	70
Work Release Expansion	2,094	2,094	69
Victim Services			
Victim Services Administration	226	-0-	74
Crime Victim Center Grants	800	-0-	75
Sexual Assault Grants	1,860	476	76
Battered Women/Dedicated Receipts	254	254	77
Battered Women Grants	826	476	78
Community Services Support			
Contract Programs	870	300	85
Foster Group Care Reimbursement	(252)	(252)	84
Subtotal	22,967	18,886	
Administrative Management			
Planning for Women Offenders	214	154	91
Staffing Adult & Juvenile Release	162	162	93
Subtotal	376	316	
CHANGE Requests Subtotal	\$ 46,559	\$ 39,370	
AGENCY Total	\$ 306,880	\$ 299,691	

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF

PROGRAM EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
CORRECTIONAL INSTITUTIONS	95,127	99,492	96,075	11,281	107,356	105,807	96,366	10,497	106,863	105,764
COMMUNITY SERVICES	28,656	30,947	29,749	10,998	40,747	39,107	29,749	11,969	41,718	39,277
MANAGEMENT SERVICES	4,213	4,689	4,176	574	4,750	4,712	4,206	1,240	5,446	5,024
TOTAL EXPENDITURES	127,996	135,128	130,000	22,853	152,853	149,626	130,321	23,706	154,027	150,065
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	98,013	103,433	105,145	22,853	127,998	124,295	104,923	23,706	128,629	124,191
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	11,905	12,856	6,208	0	6,208	6,684	6,297	0	6,297	6,773
FEDERAL	2,129	2,365	1,707	0	1,707	1,707	1,703	0	1,703	1,703
AGENCY	7,256	7,659	7,743	0	7,743	7,743	7,745	0	7,745	7,745
GIFTS AND DEPOSITS	8	92	9	0	9	9	9	0	9	9
CORRECTIONAL INDUS	8,685	8,723	9,188	0	9,188	9,188	9,644	0	9,644	9,644
TOTAL FINANCING	127,996	135,128	130,000	22,853	152,853	149,626	130,321	23,706	154,027	150,065
POSITIONS BY FUND:										
GENERAL	1,681.1	1,686.1	1,686.1	206.5	1,892.6	1,869.1	1,686.1	208.0	1,894.1	1,872.6
SPECIAL REVENUE	110.8	121.3	40.8	0.0	40.8	40.8	40.8	0.0	40.8	40.8
FEDERAL	11.4	12.6	8.8	0.0	8.8	8.8	8.8	0.0	8.8	8.8
AGENCY	2.0	2.0	1.5	0.0	1.5	1.5	1.5	0.0	1.5	1.5
GIFTS AND DEPOSITS	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CORRECTIONAL INDUS	80.0	76.9	71.0	0.0	71.0	71.0	71.0	0.0	71.0	71.0
TOTAL POSITIONS	1,887.3	1,900.9	1,808.2	206.5	2,014.7	1,991.2	1,808.2	208.0	2,016.2	1,994.7

CHANGE REQUEST 1990-91 Biennial Budget
 Agency Program Activity

ACTIVITY:
 PROGRAM:
 AGENCY: CORRECTIONS, DEPARTMENT OF

REQUEST TITLE: POPULATION INCREASE/FUNDING CHANGE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$6,837	127.5	\$6,823	127.5
Governor's Recommendation				
General Fund	\$6,462	115.5	\$6,448	115.5

Request requires statutory change: Yes No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The Department of Corrections requests these funds to deal with the increasing adult inmate population and to replace the loss of dedicated receipt funding. The objective is to provide a safe, secure and humane environment for offenders committed to the Commissioner of Corrections.

DESCRIPTION/BACKGROUND:

The adult male inmate population has been steadily increasing since 1983 when the population averaged 2,000 and commitments averaged 106 per month. During F.Y. 1988, the population increased rapidly from 2,307 in July, 1987 to 2,516 in June, 1988 - an increase of 209 inmates - and commitments from December through June, 1988 averaged over 150 per month. New population projections show an increase to 2,910 by F.Y. 1991. However, adult male institution capacity is currently limited to 2,832. The adult female population is showing an increase as well. This increase in Minnesota populations will limit the ability to accommodate inmates from other jurisdictions to earn revenue.

	Actual F.Y. 1988	Budget F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Average daily population:				
Adult male	2,388	2,345	2,832	2,832
Adult female	107	90	142	142
Juvenile	162	170	170	170
Total	2,657	2,605	3,144	3,144

RATIONALE:

This request is for funding to provide for 539 additional adult inmates in the correctional facilities and to fund operations previously funded by dedicated receipts. The request includes funding for 127.5 positions, 73.0 of which have been funded by dedicated receipts. There have been no major increases in staff at any institution since 1978 when there was also an

increase in adult inmate populations. Opening of the Oak Park Heights facility in March 1982, provided 375 additional beds. Adult beds were then added at Red Wing and in 1987-88, beds were added at Willow River/Moose Lake, St. Cloud, Stillwater and Lino Lakes. Much of this expansion was funded by revenue from housing federal and other states' inmates in Minnesota. Since those funds will no longer be available and the population continues to increase, new funding is needed to provide for the additional beds.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 57,869	\$ 60,077	\$ 61,498	\$ 61,498
Special Revenue	3,076	4,390	-0-	-0-
Total	\$ 60,945	\$ 64,467	\$ 61,498	\$ 61,498
Special Revenue Positions	59.0	73.0	-0-	-0-

LONG RANGE FUNDING IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 6,823	\$ 6,823	\$13,646
General Fund Positions	127.5	127.5	127.5

GOVERNOR'S RECOMMENDATION:

The Governor recognizes the severe needs of Minnesota's correctional system and recommends a biennial increase of \$12,910,000 and 115.5 positions to adequately serve and control the current level of prison capacity.

CHANGE REQUEST 1990-91 Biennial Budget
 Agency Program Activity

ACTIVITY:
 PROGRAM:
 AGENCY: CORRECTIONS, DEPARTMENT OF

REQUEST TITLE: PRE-SERVICE/IN-SERVICE TRAINING

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 221	3.5	\$ 221	3.5
Governor's Recommendation				
General Fund	\$ 153	3.5	\$ 153	3.5

Request requires statutory change: Yes No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The purpose of this CHANGE request is to move the final portion of the staff training budget which is supported from dedicated funds into appropriated funds. The request includes an Employee Development Specialist, to train computer user staff in the operation of hardware and software, a Clerk Typist 3 to perform all clerical functions for the training center, a 3/4 time cook who handles food preparation at the training center, and a 3/4 time maintenance person who handles cleaning/maintenance duties at the training center, plus other direct costs necessary to produce the actual training for a total of \$153,000 each year.

The request also includes \$56,000 each year to increase Correctional Counselor trainee wages to \$1,000 per month (presently \$750 per month) and \$12,000 to provide essential department affirmative action training.

DESCRIPTION/BACKGROUND:

Because of severe budget cutbacks beginning in 1982, the staff training budget was cut from \$400,000 to \$40,000 per year and from 5.0 to 1.0 staff. The legislature restored \$200,000 and 2.0 positions for the current biennium and this request is for full funding in the general fund. Available space at MCF-Sauk Centre has been utilized to establish the regional staff training center. The center opened for use on 3-15-88 and includes a three-week pre-service academy and facilities for in-service training.

Correctional Counselor trainees currently attend the academy for 3 weeks and continue their training at the correctional facilities from 2 to 6 additional weeks. During this period trainees receive \$750 per month or \$4.31 per hour. There has been no increase in the rate of pay since 8-31-81 and the pay rate is no longer competitive. The Department of Public Safety hires Security Guard trainees at \$7.20 per hour for 12 weeks and Minnesota Highway Patrol Cadets at \$7.64 per hour for 16 weeks.

An intensive affirmative action training program, expanding training opportunities department-wide, will be implemented.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number of trainees through pre-service academy	150	150	150	150
Number of persons receiving orientation to Corrections	86	85	85	85
Number of in-service training hours presented	760	760	1,000	1,000
Total number of person hours of training	12,600	12,600	16,500	16,500
% of in-service training hours provided toward meeting department and ACA standards	22	22	30	30
Number of overnight seminars/ meetings arranged and managed for department and other state agency staff (1988 is for 3 1/2 months)	10	40	40	40
Trainee hourly wage rate	\$ 4.31	\$ 4.31	\$ 5.75	\$ 5.75

Following areas of training are considered critical and will receive increased emphasis:

Sex offender treatment strategies (number of persons trained)	47	80	80	80
Person hours of training	1,128	1,920	1,920	1,920
Gangs, cults and ritualistic crime (number of persons trained)	75	200	200	200
Person hours of training	600	1,600	2,400	2,400
Affirmative Action:				
Staff trained	134	390	600	600
Training hours	18	72	120	120
Conference	-0-	-0-	1	1

RATIONALE:

Due to the increasing Minnesota inmate population, the department will no longer earn dedicated receipts to fund a portion of the operation of the training center at MCF-Sauk Centre. The 3.5 positions and full funding through state appropriations are necessary to continue its operation.

Qualified trainee applicants are hired by agencies that pay more and it is difficult for Corrections to retain a qualified Correctional Counselor workforce especially at MCF-Stillwater. An increased rate of pay would make the department more competitive for qualified candidates.

The affirmative action funds are needed to train staff department-wide so that Corrections can meet agency goals and objectives in the coming biennium.

CHANGE REQUEST _____ 1990-91 Biennial Budget
 Agency _____ Program _____ Activity
 (Continuation)

ACTIVITY:
 PROGRAM:
 AGENCY: CORRECTIONS, DEPARTMENT OF

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 49	\$ 249	\$ 252	\$ 252
Special Revenue	216	159	9	9
Federal	-0-	56	-0-	-0-
Total	\$ 265	\$ 464	\$ 261	\$ 261
General Fund Positions	1.0	3.0	3.0	3.0
Special Revenue Positions	5.5	3.5	-0-	-0-

LONG RANGE FUNDING IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 221	\$ 221	\$ 442
General Fund Positions	3.5	3.5	3.5

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for the following: a biennial reduction of \$136,000 to only replace the current level of dedicated receipt funding.

CHANGE REQUEST _____ 1990-91 Biennial Budget
 Agency _____ Program _____ Activity

ACTIVITY:
 PROGRAM:
 AGENCY: CORRECTIONS, DEPARTMENT OF

REQUEST TITLE: COMPUTER TECHNOLOGY UPGRADE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 455	8.5	\$1,121	8.5
Governor's Recommendation				
General Fund	\$ 269	5.0	\$ 731	8.5

Request requires statutory change: _____ Yes No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

This CHANGE level request is to provide technology upgrades, communication improvements and improved training and on-site staff support, all of which are essential to support existing and planned systems and services. Technology that was purchased and staffing levels that were provided when automation was first introduced to the department are no longer adequate. Without proposed upgrades, new systems cannot be developed and existing systems cannot be adequately maintained or utilized.

DESCRIPTION/BACKGROUND:

The agency's thorough analysis of its information needs in 1986 indicated that 70% of information required to carry out agency responsibilities was not yet automated and another 10% was automated but difficult to access and use. From this needs assessment the agency has developed a long-range plan to assure that necessary information and services are automated and accessible.

This CHANGE level is essential to support the goals of the agency's long-range plan.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number of staff with direct access to automated data and services	650	760	850	1,000
Number of computers/terminals	300	350	380	425
Number of functional areas supported by automation	75	100	115	125

RATIONALE:

Benefits of automated systems: Existing and planned systems promote:

1. More efficient, secure and controlled operations.

Examples:

Inmate Count: Automated lists with the location of each inmate permit fast and accurate accounting of each inmate's status for each watch, and enable prompt identification of unaccounted for inmates.

Inmate Visiting: This automated system efficiently processes visitor intake and maintains data on visitors which informs visiting room staff of potential sources of contraband or likely behavior problems.

Inmate Classification: This system classifies inmates according to their risk to the public and assigns inmates to an appropriate security level.

Inmate Personal Property: This system maintains an updated inventory of inmate personal property which enables security staff to enforce property limits in a timely and efficient manner.

Inmate Records Keeping is entirely staff controlled. Prior to automation the assistance of inmate clerks was required to maintain and tally manual records, with serious security and liability implications.

2. Cost savings and cost avoidance.

Examples:

Avoidance of Staff Increases: From 1980 to 1988 adult population increased 40%, adult commitments increased 89% and adult movements increased 97%. The efficiency of automated functions such as sentence computation, case management classification and office automation have enabled the department to handle these increases without corresponding staff increases. Central office has been able to operate with significant reductions in clerical staff, despite increased workloads.

Reduced Claims and Liability: The accuracy and timeliness of automated information, such as sentences, release dates and personal property, reduces costs of claims and liability.

Reduced Sick Leave and Overtime Usage: The ability to monitor sick leave and overtime usage leads to reductions in personnel costs.

3. More accurate and timely management information.

Examples:

Population Reports: Automated systems produce routine reports that assist management to monitor population fluctuations.

Population Projections: Automated systems produce necessary data for population projections that are essential for the department's planning and budgeting.

CHANGE REQUEST 1990-91 Biennial Budget
 Agency Program Activity
 (Continuation)

ACTIVITY:
 PROGRAM:
 AGENCY: CORRECTIONS, DEPARTMENT OF

Policy Analysis: Automated systems provide a database from which current policy issues can be analyzed. Such information is essential for proper management and control.

4. Improved services for inmates.

Examples:

Inmate Accounting: The inmate accounting system keeps an up-to-date record of the inmate's account; provides automatic payroll deposit; and produces required deductions. Inmate balances are automatically produced prior to canteen purchases to assure that sufficient funds are available. Smooth provision of inmate services has contributed to the lack of unrest in Minnesota prisons.

Costs/risks of failure to support systems: Inability to maintain existing systems and to develop planned systems create the following potential costs and risks:

- 1) Public safety risks. When systems are non-operational, inmates are idled; leaves, changes in classification, and inmate services such as pay, canteen and visiting are cancelled or delayed; institutional climate deteriorates, with increased potential for unrest.

When systems are non-operational, institution staff may fail to be promptly informed that a new inmate is a danger to self or others; data on current/past inmates, releases, probationers is not available to cooperating law enforcement and correctional agencies.

- 2) Costs. When inmates are idled, industry production suffers. System downtime requires staff overtime; creates staff frustrations which reduces productivity. Unrest can result in damage to state property, an increase in staff overtime, inmate medical costs and additional worker's compensation claims. Inaccurate and lack of timely data increases opportunity for claims and liability.
- 3) Benefits not realized. When automated systems are not fully exploited, the agency's original investment (technology purchases and staff time) is not returned.
- 4) Impact of Other Agencies. Information generated by the Department of Corrections is important to other public agencies and organizations. Disruptions in the Department of Corrections systems affect, Bureau of Criminal Apprehension, Internal Revenue Service, Social Security, Veterans Administration, Census Bureau, National Corrections Association, Minnesota Guidelines Commission, Revenue and courts throughout Minnesota.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 1,159	\$ 1,201	\$ 1,180	\$ 1,180
Special Revenue	349	247	-0-	- 0-
Total	\$ 1,508	\$ 1,448	\$ 1,180	\$ 1,180
General Fund Positions	18.0	18.0	18.0	18.0

LONG RANGE FUNDING IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 1,121	\$ 1,121	\$2,242
General Fund Positions	8.5	8.5	8.5

GOVERNOR'S RECOMMENDATION:

This request has been reviewed by the Information Policy Office and recommended for funding at a reduced level. The Governor concurs with the IPO recommendation.

PROGRAM: CORRECTIONAL INSTITUTIONS
Agency: CORRECTIONS, DEPARTMENT OF

1990-91 Biennial Budget

PROGRAM PURPOSE: This program includes the operation of 9 correctional facilities plus the departmentwide coordination and supervision of institution health care, education and support services. The facilities serve a dual purpose--to protect the public by incarceration of the offender and to provide industrial, vocational, academic and therapeutic opportunities for inmates. The facilities are: Minnesota Correctional Facility (MCF)-Red Wing, MCF-Lino Lakes, MCF-Shakopee, MCF-Willow River/Moose Lake, MCF-Sauk Centre, Thistledeew Camp, MCF-Stillwater, MCF-St. Cloud, and MCF-Oak Park Heights.

OPERATION: The institutions' program includes the department's maximum, medium and minimum custody facilities which encompass 6 adult and 1 adult/juvenile and 2 juvenile institutions. Each institution is headed by a chief executive officer who is responsible for day-to-day operations. The primary objective of this division is to operate secure, safe, just and humane facilities with meaningful programs for inmates.

The health care section plans, implements and coordinates medical, psychiatric and dental programs for each of the 9 correctional facilities. This activity also includes supervision of the department's secure medical unit at St. Paul-Ramsey Medical Center.

The education section develops and assists institutions in implementing new vocational and academic programs and coordinates ongoing programs. This activity includes the administration of federal education funds within the institutions.

Institution support services includes the transporting of inmates and parole violators, the issuing of fugitive arrest warrants, and planning and maintenance of the facilities. Industries coordination includes planning, coordinating sales and assisting in new product development. The Jail Resource Center provides technical assistance and training for local jails.

Thistledeew Camp has juveniles who have not been committed to the Commissioner of Corrections. Thistledeew's average daily population for the biennium is estimated at 45.

	F.Y. 1988-89			F.Y. 1990-91			Increase(Decrease)		
	Adult	Juv.	Total	Adult	Juv.	Total	Adult	Juv.	Total
MCF-Red Wing	25	100	125	75	85	160	50	(15)	35
MCF-Lino Lakes	200		200	290		290	90		90
MCF-Shakopee	90		90	142		142	52		52
MCF-Willow River	60		60	132		132	72		72
/Moose Lake									
MCF-Sauk Centre		70	70		85	85		15	15
MCF-Stillwater	1,045		1,045	1,240		1,240	195		195
MCF-St. Cloud	640		640	720		720	80		80
MCF-Oak Park	375		375	375		375			0
Heights									
Total	2,435	170	2,605	2,974	170	3,144	539	0	539
Adult Male	2,345		2,345	2,832		2,832	487		487
Adult Female	90		90	142		142	52		52
Juvenile		170	170		170	170			0
Total	2,435	170	2,605	2,974	170	3,144	539	0	539

BUDGET ISSUES: While the juvenile population ranges from 170 to 190, the adult male population is increasing rapidly and projections extend beyond the current capacity of existing bed space. In the current biennium, many of the beds added have been funded through dedicated receipts. However, these receipts will no longer be available due to the lack of space and need to be replaced. This includes MCF-Shakopee where one living unit is funded through dedicated receipts.

The department requests funding to support the increase in adult inmate populations and to replace the loss of dedicated receipts. Other areas of concern include sufficient funding to maintain the physical plant, literacy education for inmates, sufficient funding for food provisions, the Jail Resource Center and other operating needs. Correctional Counselor trainee wages have not been increased since 1981 and 2.0 complement positions are requested for the Health Care activity.

EXPLANATION OF BUDGET REQUEST: CHANGE levels requested for this program are as follows:

	F.Y. 1990		F.Y. 1991	
	(000's) Dollars	Position	(000's) Dollars	Position
Agency CHANGE Requests:				
Population Increase/Funding Change	\$ 6,804	126.5	\$ 6,790	126.5
Pre-Service/In-Service Training	56		56	
Computer Technology Upgrade	267	8.5	267	8.5
Subtotal Agency Request	7,127	135.0	7,113	135.0
Institution Program CHANGE Requests:				
Population Contingency	2,500	30.0	2,000	30.0
Food Provisions Adjustment	277		277	
Literacy Program	270	3.5	270	3.5
Repair & Replacement Projects	682		346	
Subtotal Institution Prog Change	3,729	33.5	2,893	33.5
Budget Activity CHANGE Requests:				
MCF-Shakopee-New Programs	98		98	
MCF-Stillwater-AA Officer	35	1.0	35	1.0
Health Care AIDS Funding	209		275	
Health Care-Staff Positions	-	2.0	-	2.0
Support Svcs-MN Jail Resource	83	1.0	83	1.0
Subtotal Institutions	425	4.0	491	4.0
Total Correctional Institutions	\$11,281	172.5	\$10,497	172.5

BASE LEVEL REVIEW: A BASE level review has been completed on Adult Male Prison Populations and is reported in a separate document.

GOVERNORS RECOMMENDATION:

The Governor recommends a General Fund BASE of \$151,210,000 and biennial increase of \$19,130,000 for the 1990-91 budget. Details on increased funding can be found on the following budget activity pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : CORRECTIONAL INSTITUTIONS

ACTIVITY EXPENDITURES:		F.Y. 1990					F.Y. 1991				
		FY 1988	FY 1989	AGENCY REQUEST		GOVERNOR'S RECOMM.	AGENCY REQUEST		GOVERNOR'S RECOMM.		
				BASE	CHANGE		BASE	CHANGE		TOTAL	TOTAL
MCF-RED WING		5,954	6,831	6,109	520	6,629	6,588	6,034	525	6,559	6,557
A POPULATION INCREASE	GEN				422		422		420		420
A PRE-SERVICE/IN-SERVICE TRAINING	GEN				2		0		2		0
A COMPUTER TECHNOLOGY UPGRADE	GEN				30		15		30		30
P REPAIR & REPLACEMENT	GEN				49		25		56		56
P FOOD PROVISIONS ADJUSTMENT	GEN				17		17		17		17
MCF-LINO LAKES		10,569	10,903	10,341	773	11,114	11,043	10,577	771	11,348	11,342
A POPULATION INCREASE	GEN				658		658		655		655
A COMPUTER TECHNOLOGY UPGRADE	GEN				30		0		30		30
P REPAIR & REPLACEMENT	GEN				71		36		72		72
P FOOD PROVISIONS ADJUSTMENT	GEN				8		8		8		8
P LITERACY PROGRAM	GEN				6		0		6		0
MCF-SHAKOPEE		4,390	4,619	4,537	994	5,531	5,394	4,529	992	5,521	5,399
A POPULATION INCREASE	GEN				825		825		823		823
A PRE-SERVICE/IN-SERVICE TRAINING	GEN				4		0		4		0
A COMPUTER TECHNOLOGY UPGRADE	GEN				30		15		30		30
P FOOD PROVISIONS ADJUSTMENT	GEN				17		17		17		17
P LITERACY PROGRAM	GEN				20		0		20		0
B NEW PROGRAMS FOR FEMALE OFFENDERS	GEN				98		0		98		0
MCF-WILLOW RIVER/MOOSE LAKE		2,220	2,961	2,033	993	3,026	3,009	2,030	993	3,023	3,023
A POPULATION INCREASE	GEN				964		964		962		962
A COMPUTER TECHNOLOGY UPGRADE	GEN				15		0		15		15
P REPAIR & REPLACEMENT	GEN				5		3		7		7
P FOOD PROVISIONS ADJUSTMENT	GEN				9		9		9		9
MCF-SAUK CENTRE		3,907	4,093	4,169	201	4,370	4,297	4,167	164	4,331	4,320
A POPULATION INCREASE	GEN				57		57		54		54

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : CORRECTIONAL INSTITUTIONS

ACTIVITY EXPENDITURES:		F.Y. 1990						F.Y. 1991			
		FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
				BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
A COMPUTER TECHNOLOGY UPGRADE	GEN				42		17		42		33
P REPAIR & REPLACEMENT	GEN				94		48		60		60
P FOOD PROVISIONS ADJUSTMENT	GEN				6		6		6		6
P LITERACY PROGRAM	GEN				2		0		2		0
THISTLEDEW CAMP		1,690	1,915	1,990	15	2,005	1,998	2,074	23	2,097	2,097
P REPAIR & REPLACEMENT	GEN				15		8		23		23
MCF-STILLWATER		29,706	29,166	28,706	2,680	31,386	31,032	28,602	2,631	31,233	30,942
A POPULATION INCREASE	GEN				2,265		2,149		2,263		2,147
A PRE-SERVICE/IN-SERVICE TRAINING	GEN				18		0		18		0
A COMPUTER TECHNOLOGY UPGRADE	GEN				45		15		45		45
P REPAIR & REPLACEMENT	GEN				60		31		13		17
P FOOD PROVISIONS ADJUSTMENT	GEN				96		96		96		96
P LITERACY PROGRAM	GEN				161		0		161		0
B AFFIRMATIVE ACTION OFFICER	GEN				35		35		35		35
MCF-ST CLOUD		16,898	18,100	17,308	1,475	18,783	18,326	17,252	1,331	18,583	18,257
A POPULATION INCREASE	GEN				1,127		868		1,127		868
A PRE-SERVICE/IN-SERVICE TRAINING	GEN				14		0		14		0
A COMPUTER TECHNOLOGY UPGRADE	GEN				45		15		45		44
P REPAIR & REPLACEMENT	GEN				209		107		65		65
P FOOD PROVISIONS ADJUSTMENT	GEN				28		28		28		28
P LITERACY PROGRAM	GEN				52		0		52		0
MCF-OAK PARK		15,548	16,508	16,599	352	16,951	16,787	16,818	223	17,041	16,994
A PRE-SERVICE/IN-SERVICE TRAINING	GEN				18		0		18		0
A COMPUTER TECHNOLOGY UPGRADE	GEN				30		0		30		30
P REPAIR & REPLACEMENT	GEN				179		92		50		50
P FOOD PROVISIONS ADJUSTMENT	GEN				96		96		96		96
P LITERACY PROGRAM	GEN				29		0		29		0

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : CORRECTIONAL INSTITUTIONS

ACTIVITY EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
HEALTH CARE	3,197	3,265	3,261	661	3,922	3,713	3,261	727	3,988	3,713
A POPULATION INCREASE	GEN			452		452		452		452
B HEALTH CARE FUNDING FOR AIDS	GEN			209		0		275		0
EDUCATION	424	487	432	0	432	432	432	0	432	432
INSTITUTION SUPPORT SERV	624	644	590	2,617	3,207	3,188	590	2,117	2,707	2,688
A POPULATION INCREASE	GEN			34		34		34		34
P POPULATION CONTINGENCY	GEN			2,500		2,500		2,000		2,000
B MN JAIL RESOURCE CENTER	GEN			83		64		83		64
TOTAL EXPENDITURES	95,127	99,492	96,075	11,281	107,356	105,807	96,366	10,497	106,863	105,764
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	71,259	74,095	75,733	11,281	87,014	85,465	75,477	10,497	85,974	84,875
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	7,451	8,242	2,959	0	2,959	2,959	3,048	0	3,048	3,048
FEDERAL	734	979	733	0	733	733	733	0	733	733
AGENCY	6,992	7,369	7,453	0	7,453	7,453	7,455	0	7,455	7,455
GIFTS AND DEPOSITS	6	84	9	0	9	9	9	0	9	9
CORRECTIONAL INDUS	8,685	8,723	9,188	0	9,188	9,188	9,644	0	9,644	9,644
TOTAL FINANCING	95,127	99,492	96,075	11,281	107,356	105,807	96,366	10,497	106,863	105,764
POSITIONS BY FUND:										
GENERAL	1,479.0	1,481.0	1,481.0	172.5	1,653.5	1,634.5	1,481.0	172.5	1,653.5	1,638.0
SPECIAL REVENUE	102.3	112.8	40.0	0.0	40.0	40.0	40.0	0.0	40.0	40.0
FEDERAL	10.6	10.3	7.3	0.0	7.3	7.3	7.3	0.0	7.3	7.3
AGENCY	2.0	2.0	1.5	0.0	1.5	1.5	1.5	0.0	1.5	1.5
GIFTS AND DEPOSITS	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CORRECTIONAL INDUS	80.0	76.9	71.0	0.0	71.0	71.0	71.0	0.0	71.0	71.0
TOTAL POSITIONS	1,675.9	1,685.0	1,600.8	172.5	1,773.3	1,754.3	1,600.8	172.5	1,773.3	1,757.8

CHANGE REQUEST _____ Agency X Program _____ Activity 1990-91 Biennial Budget

ACTIVITY:
PROGRAM: CORRECTIONAL INSTITUTIONS
AGENCY: CORRECTIONS, DEPARTMENT OF

REQUEST TITLE: POPULATION CONTINGENCY

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$2,500	30.0	\$2,000	30.0

Governor's Recommendation

General Fund	\$2,500	30.0	\$2,000	30.0
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Request requires statutory change: _____ Yes X No
Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

This request is for funding to deal with the increasing adult male, inmate population which is beyond the current capacity of the existing correctional facilities.

DESCRIPTION/BACKGROUND:

Through F.Y. 1987, adult male inmate populations have shown a steady increase since F.Y. 1983 when the population averaged 2,000 and commitments averaged 106 per month. During F.Y. 1988 the population increased rapidly from 2,307 in July, 1987 to 2,516 in June, 1988 - an increase of 209 inmates, and commitments from December through June, 1988 averaged over 150 per month. New projections prepared jointly by the Minnesota Sentencing Guidelines Commission and the Department of Corrections indicate that the population will continue to grow during the coming biennium to the extent that additional bed space will be needed. Inmate population projections cannot be exact and there are several variables, i.e., probation revocation and criminal history score increases that could occur and would impact future populations. Also good correctional practice indicates that prison capacities should not be exceeded by 95% with 5% reserved for specific problems or uses. These factors could affect population increases by 80 to more than 400 by the end of the biennium.

STATISTICS:	Actual F.Y. 1988	Estimate F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Adult male inmate population	2,433	2,704	2,846	2,910
Institution capacity	<u>2,640</u>	<u>2,832</u>	<u>2,832</u>	<u>2,832</u>
Capacity - over (under)	207	128	(14)	(78)
Probation revocation increase		40	80	120
Criminal history score increase		35	70	105
5% of capacity		<u>142</u>	<u>142</u>	<u>142</u>
Total - over (under)		(89)	(306)	(445)

RATIONALE:

These potential population increases could be dealt with by converting under-utilized facilities to correctional use, possibly facilities in the Department of Human Services. The possibility of utilizing buildings at the regional treatment centers would avoid the need for construction of new correctional institutions. This request provides \$500,000 for startup costs the first year and \$2,000,000 for ongoing operations each year for additional bed space with the location to be determined at a later date. This amount is based on a 150 bed unit.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ -0-	\$ -0-	\$ -0-	\$ -0-
General Fund Positions	-0-	-0-	-0-	-0-

LONG RANGE FUNDING IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 2,000	\$ 2,000	\$4,000
General Fund Positions	30.0	30.0	30.0

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. If appropriated, funds will only be available to the extent that actual populations reach the amounts shown in this estimate. Funds will be released after review of documentation by the Department of Finance.

CHANGE REQUEST _____ Agency X Program _____ Activity 1990-91 Biennial Budget

ACTIVITY:
PROGRAM: CORRECTIONAL INSTITUTIONS
AGENCY: CORRECTIONS, DEPARTMENT OF

REQUEST TITLE: REPAIR AND REPLACEMENT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 682	-0-	\$ 346	-0-
Governor's Recommendation				
General Fund	\$ 350	-0-	\$ 350	-0-

Request requires statutory change: _____ Yes X No
Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The Department of Corrections requests the above funding to meet the ongoing repair and replacement needs of the correctional facilities within the department's operating budget. The objective is to maintain the state's physical plant.

DESCRIPTION/BACKGROUND:

In earlier legislative sessions, state policy had been to include a block of general fund dollars in the capital budget to fund repair and replacement projects. More recently state policy has removed those dollars from the capital budget to agency operating budgets. This request is a continuation of that current policy.

This request differs from prior Repair and Replacement requests due to returning system-wide window replacement, roof repair and tuckpointing to the capital budget because of the magnitude of the dollars needed.

STATISTICS:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Square footage allowances:				
Supplies and materials	\$.21	\$.21	\$.21	\$.21
Repair projects	.15	.15	.15	.15
Total	\$.36	\$.36	\$.36	\$.36
Repair projects - CHANGE	\$ -0-	\$ -0-	\$.16	\$.16
Total	\$ -0-	\$ -0-	\$.52	\$.52

RATIONALE:

The Department of Corrections' facilities date back to 1889 and require con-

tinuing ongoing routine maintenance to prevent deterioration. In addition, the increasing inmate population has required that all usable space be available to deal with the high population. This requires constant maintenance and in some cases minor remodeling for cell space. The inmate population is expected to continue increasing through the coming biennium. The department requests an additional \$.16 per square foot to help maintain its buildings and physical plant.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 1,255	\$ 1,051	\$ 1,280	\$ 1,026

LONG RANGE FUNDING IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 514	\$ 514	\$1,028

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for the following: a biennial reduction of \$328,000, to defer some lower priority projects in consideration of competing demands on correctional resources.

CHANGE REQUEST _____ Agency Program _____ Activity 1990-91 Biennial Budget

ACTIVITY:
PROGRAM: CORRECTIONAL INSTITUTIONS
AGENCY: CORRECTIONS, DEPARTMENT OF

REQUEST TITLE: FOOD PROVISIONS ADJUSTMENT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 277	-0-	\$ 277	-0-
Governor's Recommendation				
General Fund	\$ 277	-0-	\$ 277	-0-

Request requires statutory change: _____ Yes No
Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

This request will provide replacement funding for the loss of surplus food commodities received through the Minnesota Department of Education.

DESCRIPTION/BACKGROUND:

The Commissioner of Corrections and the Commissioner of Human Services adjust the food allowance annually according to the U.S. Department of Labor, Bureau of Labor Statistics, Producer Price Index. Adjustments are made based on the June index. The Department of Corrections had sufficient funds in the food budget to adjust to the Index until F.Y. 1989 when due to increasing inmate populations the amount appropriated was insufficient. The food allowance was then prorated.

The Department of Corrections receives surplus food commodities through the Department of Education. Due to the drought and usage of the surplus commodities, this resource is expected to decrease substantially.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Actual daily food allowance	\$ 2.68	\$ 2.76	\$ -0-	\$ -0-
Food allowance based on Producer Price Index (1990-91 same level)	\$ 2.68	\$ 2.80	\$ 2.80	\$ 2.80
Surplus food commodities value	\$.32	\$.11	\$.11	\$.11

RATIONALE:

The department has been able to provide adequate food provisions to inmates and contribute to the general safety of the facilities. This request will provide replacement funding for the substantial decrease in surplus commodities.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 2,659	\$ 2,701	\$ 2,701	\$ 2,701

LONG RANGE FUNDING IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 277	\$ 277	\$ 554

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency X Program _____ Activity 1990-91 Biennial Budget

ACTIVITY:
PROGRAM: CORRECTIONAL INSTITUTIONS
AGENCY: CORRECTIONS, DEPARTMENT OF

REQUEST TITLE: LITERACY PROGRAM

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 270	3.5	\$ 270	3.5

Governor's Recommendation

General Fund	\$ -0-	-0-	\$ -0-	-0-
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Request requires statutory change: _____ Yes X No
Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

This request is to increase the education budget by \$270,000 to cover the costs of implementing the recommendations of the departmental literacy task force appointed by the Commissioner.

DESCRIPTION/BACKGROUND:

Each institution will establish literacy programming as the first priority in its total education program under an overall departmental plan, which will allow inmates to follow an individual literacy plan as they move through the correctional system. The goal of this literacy initiative is to enable all inmates to be functionally literate at the time of release.

The target population for the effort will be those who read below the eighth grade level, which is approximately 35% of the inmates. The inmates who are most in need will be reached through new technological applications, individual incentives, and expanded schedules as well as traditional classroom instruction.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Inmates to be served	-0-	-0-	800	800

RATIONALE:

This literacy effort includes several hundred inmates who have not been participating in current education programs. In order to implement the plan and accomplish the goal of teaching these inmates to read, compute, and gen-

erally function at the eighth grade level, the institutions find it necessary to add instructional staff, space, equipment, and materials.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ -0-	\$ -0-	\$ -0-	\$ -0-
General Fund Positions	-0-	-0-	-0-	-0-

LONG RANGE FUNDING IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 270	\$ 270	\$ 540
General Fund Positions	3.5	3.5	3.5

GOVERNOR'S RECOMMENDATION:

After review of this activity, the Governor has chosen not to fund the DOC literacy program directly, but rather through his Adult Literacy initiative. The Department of Education's request contains adequate funding to fulfill the goals of the DOC literacy program. Upon appropriation, funds will be transferred to DOC.

ACTIVITY: MINNESOTA CORRECTIONAL FACILITY-RED WING 1990-91 Biennial Budget
Program: CORRECTIONAL INSTITUTIONS
Agency: CORRECTIONS, DEPARTMENT OF

PURPOSE:

The Minnesota Correctional Facility-Red Wing (MCF-Red Wing) exists to receive and treat, in a safe, secure and humane environment, delinquent juveniles up to 19 years of age committed to the Commissioner of Corrections from the juvenile courts in the 21 counties in the southeastern region of the state including the Twin Cities metropolitan area. In addition to these court committed youths, MCF-Red Wing provides detention and predispositional evaluations for the juvenile courts. It also receives minimum security male adult offenders nearing their release dates. The facility is an open campus and living quarters consist of 1-story and 2-story cottages, each housing between 25 and 30 residents.

MCF-Red Wing's mission includes the protection of the public and treatment for juvenile residents. This is accomplished through academic programming and pre-vocational training aimed at attitudinal and behavior changes. Pre-vocational training provides the resident with an understanding of various trades and includes programs in small engine repair, graphic arts, auto service station work, welding and printing. The academic program provides basic courses and remedial reading and mathematics, driver education, art and physical education. All residents participate in group therapy; individual counseling is also available.

Minimum security adults are transferred to the Red Wing facility from the Minnesota Correctional Facilities at St. Cloud, Stillwater and Lino Lakes. The adult male population is separated from juvenile residents in three minimum security adult cottages. Since 1984 when the first adult cottage was established, 2 additional adult cottages have been established, 1 in 1987 and 1 in 1988, to deal with the increasing adult population. Programs for adults include vocational training, land management and other work programs. This program allows the adult male to accept responsibilities and acquire decision-making skills in preparation for his return to the community.

Statutory Reference: M.S. Ch. 242.41.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Number of inmates served:	810	760	760	760
Juvenile	621	500	500	500
Adult	189	260	260	260
Average daily population:	164	160	160	160
Juvenile	90	85	85	85
Adult	74	75	75	75
Average daily cost	\$ 82.74	\$ 86.53	\$ 100.65	\$ 100.62
Average length of stay (months):				
Juvenile	5.8	5.8	5.8	5.8
Adult	6.7	6.7	6.7	6.7
Security:				
Juvenile runaways	56	50	50	50
Adult escapes	1	1	1	1

STATISTICS (Continued):

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Average daily program participation:				
Juveniles:				
Education	108	85	85	85
Pre-vocational	108	85	85	85
Adults:				
Pre-vocational	24	24	24	24
Work programs	50	51	51	51
Number served:				
County detention services	174	175	175	175
County pre-dispositional evaluations	33	35	35	35

REVENUE:

This activity generates dedicated revenue.

<u>Type of Revenue</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Dedicated - Special	\$ 195	\$ 220	\$ 220	\$ 220

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : CORRECTIONAL INSTITUTIONS
BUDGET ACTIVITY : MCF-RED WING

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	4,698	5,079	4,819	348	5,167	5,150	4,819	348	5,167	5,165
EXPENSES/CONTRACTUAL SRVCS	261	276	315	57	372	348	240	64	304	304
MISC OPERATING EXPENSES	292	281	300	4	304	304	300	4	304	304
SUPPLIES/MATERIALS/PARTS	623	690	601	100	701	701	601	100	701	701
CAPITAL EQUIPMENT	70	141	58	11	69	69	58	9	67	67
REAL PROPERTY	0	360	0	0	0	0	0	0	0	0
NON-EXPENSE DISBURSEMENTS	3	0	0	0	0	0	0	0	0	0
REDISTRIBUTIONS	7	4	16	0	16	16	16	0	16	16
TOTAL EXPENDITURES	5,954	6,831	6,109	520	6,629	6,588	6,034	525	6,559	6,557
CHANGE REQUESTS: FUND										
A POPULATION INCREASE				422		422		420		420
A PRE-SERVICE/IN-SERVICE TRAINING				2		0		2		0
A COMPUTER TECHNOLOGY UPGRADE				30		15		30		30
P REPAIR & REPLACEMENT				49		25		56		56
P FOOD PROVISIONS ADJUSTMENT				17		17		17		17
TOTAL CHANGE REQUESTS				520		479		525		523
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	5,020	5,817	5,482	520	6,002	5,961	5,407	525	5,932	5,930
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	548	516	220	0	220	220	220	0	220	220
FEDERAL	194	293	202	0	202	202	202	0	202	202
AGENCY	192	199	205	0	205	205	205	0	205	205
GIFTS AND DEPOSITS	0	6	0	0	0	0	0	0	0	0
TOTAL FINANCING	5,954	6,831	6,109	520	6,629	6,588	6,034	525	6,559	6,557

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : CORRECTIONAL INSTITUTIONS
BUDGET ACTIVITY : MCF-RED WING

SOURCES OF FINANCING:	F.Y. 1990						F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
POSITIONS BY FUND:											
GENERAL	119.5	119.5	119.5	8.5	128.0	128.0	119.5	8.5	128.0	128.0	
SPECIAL REVENUE	8.0	8.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FEDERAL	2.0	2.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0	
TOTAL POSITIONS	129.5	129.5	121.5	8.5	130.0	130.0	121.5	8.5	130.0	130.0	

ACTIVITY: MINNESOTA CORRECTIONAL FACILITY-LINO LAKES 1990-91 Biennial Budget
Program: CORRECTIONAL INSTITUTIONS
Agency: CORRECTIONS, DEPARTMENT OF

PURPOSE:

The purpose of the Minnesota Correctional Facility-Lino Lakes (MCF-Lino Lakes) is to maintain a safe, secure, humane environment for adult male offenders, within which they have an opportunity to participate in gainful employment with its monetary rewards and training in self discipline.

This is a medium-minimum security facility for adult male felons transferred from other close or maximum security Minnesota correctional facilities. Inmates at this institution are generally within the last 10 to 30 months of incarceration, however, appropriate long term inmates are also included. Current program capacity includes 248 inmates in medium security and 42 inmates in minimum security.

MCF-Lino Lakes provides a program where the expectations for inmate behavior and responsibilities are patterned as closely as possible to life in the community while at the same time maintaining adequate security to assure the protection of the public. Similar to life outside the institution, primary emphasis is on employment, where each inmate must be productive, working 8 hours a day, 5 days a week, either in the industry program or performing essential services for the institutions. The industry program is largely devoted to the production of wood products such as office furniture and institution accommodations. Other operations include a print shop, upholstery shop, metal furniture refinishing, plus a variety of miscellaneous projects as they become available. This program has consistently provided full employment for MCF-Lino Lakes inmates through income generated from the sale of industry products.

Counseling, educational, and leisure time resources are available outside of regular working hours. Two treatment programs, the Kenny Therapeutic Community and the Transitional Sex Offender Program are available to inmates who meet specific criteria. These programs include intensive individual and group counseling, with family participation where appropriate.

The minimum security area includes 1 cottage devoted to a pre-release program designed for inmates with less than a month until release, who need help in searching for a job or finding a place to live. A second cottage houses a minimum security work program for inmates working on institution or community service jobs or who work in the industry program.

Since 1978, Anoka County utilized 2 units on a lease basis for county correctional operations for both juveniles and adults. In the 1988-89 biennium, the state sold these 2 minimum security cottages to Anoka County to be used as a county correctional facility. With the proceeds of that sale, the department constructed additions to the 5 cottages located within the medium security perimeter. Upon completion of construction in September, 1988, the capacity of the institution was increased to 290, a 45% increase in inmate population.

Statutory Reference: M.S. Ch. 242.385.

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Number inmates served	593	818	860	860
Average daily population	200	276	290	290
Average daily cost	\$ 82.78	\$ 72.23	\$ 66.18	\$ 66.15
Average length of stay (months)	9.4	10	10	10
Number of escapes:				
Medium security	-0-	-0-	-0-	-0-
Minimum security	1	1	1	1
Program admissions:	704	807	826	826
Sex offender program	40	52	52	52
Kenny therapy community	53	65	65	65
Medium security work program	213	230	249	249
Pre-release program	363	420	420	420
Minimum security work program	35	40	40	40
Average daily program participation:	200	276	290	290
Sex offender program	30	39	40	40
Kenny therapy community	29	39	40	40
Medium security work program	101	158	168	168
Pre-release program	18	18	20	20
Minimum security work program	22	22	22	22
Daily inmate assignments:	200	276	290	290
Industry program	134	176	182	182
Support services	26	66	68	68
Program orientation	12	16	20	20
Pre-release	18	18	20	20

REVENUE:

This activity generates dedicated revenue.

<u>Type of Revenue:</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual F.Y. 1988</u>	<u>Estimate F.Y. 1989</u>	<u>Estimate F.Y. 1990</u>	<u>Estimate F.Y. 1991</u>
Dedicated - Special	\$ 254	\$ 287	\$ 287	\$ 287

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : CORRECTIONAL INSTITUTIONS
BUDGET ACTIVITY : MCF-LINO LAKES

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	5,766	6,452	6,345	460	6,805	6,775	6,428	460	6,888	6,888
EXPENSES/CONTRACTUAL SRVCS	566	526	452	117	569	534	455	118	573	573
MISC OPERATING EXPENSES	786	1,101	1,018	15	1,033	1,033	1,019	15	1,034	1,034
SUPPLIES/MATERIALS/PARTS	2,391	2,368	2,383	172	2,555	2,549	2,525	172	2,697	2,691
CAPITAL EQUIPMENT	192	110	110	9	119	119	115	6	121	121
REAL PROPERTY	836	314	0	0	0	0	0	0	0	0
NON-EXPENSE DISBURSEMENTS	4	0	0	0	0	0	0	0	0	0
REDISTRIBUTIONS	28	32	33	0	33	33	35	0	35	35
TOTAL EXPENDITURES	10,569	10,903	10,341	773	11,114	11,043	10,577	771	11,348	11,342
CHANGE REQUESTS: FUND										
A POPULATION INCREASE				658		658		655		655
A COMPUTER TECHNOLOGY UPGRADE				30		0		30		30
P REPAIR & REPLACEMENT				71		36		72		72
P FOOD PROVISIONS ADJUSTMENT				8		8		8		8
P LITERACY PROGRAM				6		0		6		0
TOTAL CHANGE REQUESTS				773		702		771		765
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	6,141	6,617	6,343	773	7,116	7,045	6,342	771	7,113	7,107
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	1,331	788	287	0	287	287	287	0	287	287
FEDERAL	7	6	6	0	6	6	6	0	6	6
AGENCY	729	1,017	1,016	0	1,016	1,016	1,016	0	1,016	1,016
CORRECTIONAL INDUS	2,361	2,475	2,689	0	2,689	2,689	2,926	0	2,926	2,926
TOTAL FINANCING	10,569	10,903	10,341	773	11,114	11,043	10,577	771	11,348	11,342

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : CORRECTIONAL INSTITUTIONS
BUDGET ACTIVITY : MCF-LINO LAKES

SOURCES OF FINANCING:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
POSITIONS BY FUND:										
GENERAL	134.5	134.5	134.5	11.5	146.0	145.0	134.5	11.5	146.0	146.0
SPECIAL REVENUE	7.5	10.5	0.5	0.0	0.5	0.5	0.5	0.0	0.5	0.5
FEDERAL	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CORRECTIONAL INDUS	14.5	15.5	12.0	0.0	12.0	12.0	12.0	0.0	12.0	12.0
TOTAL POSITIONS	157.5	160.5	147.0	11.5	158.5	157.5	147.0	11.5	158.5	158.5

ACTIVITY: MINNESOTA CORRECTIONAL FACILITY-SHAKOPEE 1990-91 Biennial Budget
Program: CORRECTIONAL INSTITUTIONS
Agency: CORRECTIONS, DEPARTMENT OF

PURPOSE:

The Minnesota Correctional Facility-Shakopee (MCF-Shakopee) exists to provide a safe, secure and humane environment for adult female offenders. The mission of the institution is to protect the public while providing a variety of programs for the inmates. The facility houses adult women felons convicted by the courts and sentenced to more than 1 year. Offender characteristics show that 90-95% of the inmates are chemically dependent, 55% have dependent children, and 72% are under the age of 35.

Institution activities provide education, vocational education, specialized programming and industry programs. Academic programs include adult basic education training through college. Vocational programs include nurses aide training, electronic office skills, data entry, textiles, and marketing research. Extensive specialized programming include chemical dependency, family counseling parenting, independent living skills, battered women's groups, recreation, aids training, work release, reentry training and off grounds training. Industry programs of data entry, assembly, telemarketing, market research, textiles, food service and maintenance supplement the total program.

Population has continued to climb during the 1980s - beginning at 51 in 1979. The new facility has been at capacity several times this past year. Nine to 10 federal inmates have been included in that population. A continued increase in population is anticipated.

Statutory Reference: M.S. Ch. 243.90.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Number of inmates served	263	275	275	275
Average daily population	107	118	142	142
Average daily cost	\$ 92.05	\$ 84.84	\$ 92.32	\$ 92.28
Average length of stay (months)	12	12	12	12
Security:				
Close security escape	-0-	-0-	-0-	-0-
Minimum security escape	-0-	1	1	1
Average daily program participation:				
Chemical dependency	29	34	38	38
Chaplaincy program	22	24	29	29
Parenting	24	26	32	32
Independent living skills	20	21	27	27
Work release	12	13	16	16
Average daily employment (full & part time):				
Industry programs	46	50	50	50
Support service	50	53	55	55
Education	49	55	55	55
Treatment programs	69	74	74	74

STATISTICS (Continued):

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
% of inmates in:				
Productive assignment	80	80	80	80
Segregation	5	5	5	5
Protective custody	-0-	-0-	-0-	-0-
Idle status	15	15	15	15

REVENUE:

This activity generates dedicated revenue.

<u>Type of Revenue</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual F.Y. 1988</u>	<u>Estimate F.Y. 1989</u>	<u>Estimate F.Y. 1990</u>	<u>Estimate F.Y. 1991</u>
Dedicated - Special	\$ 242	\$ 277	\$ 13	\$ 13

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : CORRECTIONAL INSTITUTIONS
BUDGET ACTIVITY : MCF-SHAKOPEE

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	3,191	3,233	3,156	645	3,801	3,762	3,156	645	3,801	3,777
EXPENSES/CONTRACTUAL SRVCS	251	327	297	147	444	373	297	147	444	373
MISC OPERATING EXPENSES	486	526	586	31	617	617	586	31	617	617
SUPPLIES/MATERIALS/PARTS	440	504	473	165	638	611	465	165	630	603
CAPITAL EQUIPMENT	13	21	15	5	20	20	15	3	18	18
REDISTRIBUTIONS	7	6	8	0	8	8	8	0	8	8
STATE OPERATIONS	4,388	4,617	4,535	993	5,528	5,391	4,527	991	5,518	5,396
AIDS TO INDIVIDUALS	2	2	2	1	3	3	2	1	3	3
TOTAL EXPENDITURES	4,390	4,619	4,537	994	5,531	5,394	4,529	992	5,521	5,399
CHANGE REQUESTS:										
A POPULATION INCREASE				825		825		823		823
A PRE-SERVICE/IN-SERVICE TRAINING				4		0		4		0
A COMPUTER TECHNOLOGY UPGRADE				30		15		30		30
P FOOD PROVISIONS ADJUSTMENT				17		17		17		17
P LITERACY PROGRAM				20		0		20		0
B NEW PROGRAMS FOR FEMALE OFFENDERS				98		0		98		0
TOTAL CHANGE REQUESTS				994		857		992		870
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	3,594	3,654	3,799	994	4,793	4,656	3,791	992	4,783	4,661
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	242	277	13	0	13	13	13	0	13	13
FEDERAL	6	6	5	0	5	5	5	0	5	5
AGENCY	338	369	446	0	446	446	446	0	446	446
GIFTS AND DEPOSITS	2	72	0	0	0	0	0	0	0	0
CORRECTIONAL INDUS	208	241	274	0	274	274	274	0	274	274

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : CORRECTIONAL INSTITUTIONS
BUDGET ACTIVITY : MCF-SHAKOPEE

SOURCES OF FINANCING:	F.Y. 1990					F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
TOTAL FINANCING	4,390	4,619	4,537	994	5,531	5,394	4,529	992	5,521	5,399
POSITIONS BY FUND:										
GENERAL	79.4	79.4	79.4	19.0	98.4	97.9	79.4	19.0	98.4	97.9
SPECIAL REVENUE	7.0	7.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GIFTS AND DEPOSITS	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CORRECTIONAL INDUS	3.0	3.0	2.6	0.0	2.6	2.6	2.6	0.0	2.6	2.6
TOTAL POSITIONS	91.7	91.4	82.0	19.0	101.0	100.5	82.0	19.0	101.0	100.5

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MINNESOTA CORRECTIONAL FACILITY-SHAKOPEE
 PROGRAM: CORRECTIONAL INSTITUTIONS
 AGENCY: CORRECTIONS, DEPARTMENT OF

REQUEST TITLE: NEW PROGRAMS FOR FEMALE OFFENDERS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 98	-0-	\$ 98	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

This request will provide contract funding for 2 vocational training programs, horticulture and building construction/maintenance. Both programs will benefit the inmates as well as the institution by improving grounds and buildings.

DESCRIPTION/BACKGROUND:

A number of factors combine to recommend that vocational programming be increased at Minnesota Correctional Facility-Shakopee (MCF-Shakopee) to serve more fully the needs of the institution and of the women incarcerated there:

- 1) Minnesota statutes provide that incarcerated women receive comparable programming to that of incarcerated men;
- 2) Fairness dictates that incarcerated women be given program opportunities comparable to incarcerated men;
- 3) The changing role of women in society dictates that women develop marketable skills;
- 4) The characteristics of the inmate population suggest that the average woman leaving MCF-Shakopee needs to support not only herself but also 2 children;
- 5) The increased population (up more than 100% in the past 8 years) makes increased vocational programming much more cost effective.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Average daily program participation	-0-	-0-	32	32
% of inmates in:				
Productive assignment	80	80	81	81
Idle status	15	15	15	15
Segregation	5	5	4	4

RATIONALE:

The Department of Corrections has made a considerable effort to provide vocational programs for inmates incarcerated in adult correctional facilities. Currently 23 programs are being provided; 22 are provided in men's institutions, and 1 is being provided in the only women's institution, MCF-Shakopee. In order to provide more comparable programming for women, to provide vocational programming which meets the needs of the growing number of women incarcerated at MCF-Shakopee, and to serve the needs of the institution the following vocational programs are requested:

- 1) Building Maintenance/Building Construction Trades. This program would provide 2 related vocational tracks - Building Maintenance and Building Construction Trades. Each track would lead to vocational certification. Space, materials and equipment would to a large extent be shared thus reducing program costs. The non-traditional vocational skills acquired by women in this program would serve the institution's needs and provide opportunities for work at higher pay when the women return to society;
- 2) Horticulture. This course would provide certified training in greenhouse work and landscape gardening. The costs of the program are relatively low and the program would not only serve the needs of the institution by improving its appearance but also provide women inmates with marketable skills.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ -0-	\$ -0-	\$ -0-	\$ -0-

LONG RANGE FUNDING IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 98	\$ 98	\$ 196

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The recommendation on the population increase change request should provide sufficient funding to support program opportunities for female offenders.

ACTIVITY: MINNESOTA CORRECTIONAL FACILITY-WILLOW RIVER/MOOSE LAKE
Program: CORRECTIONAL INSTITUTIONS
Agency: CORRECTIONS, DEPARTMENT OF

1990-91 Biennial Budget

REVENUE:

This activity generates dedicated revenue.

PURPOSE:

The primary purpose of MCF-Willow River/Moose Lake is to maintain a safe, secure and humane environment for adult male offenders. The facility provides a vocational, academic, work and group treatment program at the Willow River site and a short-term offender program on the grounds of the Moose Lake Regional Treatment Center. The capacity of the minimum security institution is 132 (72 at Willow River and 60 at Moose Lake). The Willow River program provides 5 vocational programs (machine tool operation, mechanics, truck driving, truck trailer repair, welding) to 60 students. The remaining 12 inmates are employed on a work crew providing community service work for surrounding communities.

The short-term offender program at Moose Lake provides a work and industry program with afternoon and evening treatment programs in education, chemical dependency counseling and independent living skills development. The inmates in this program must be within 6 months of the supervised release date or expiration and be willing to work on 1 of 2 12 men work crews on the industry program.

Statutory Reference: M.S. 241.01, Subd. 3a.

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Number of inmates served	255	460	483	483
Average daily population	75	114	132	132
Average daily cost	\$62.07	\$64.50	\$56.99	\$56.95
Minimum security escapes	9	6	4	4
Willow River/voc. program:				
Number of inmates served	148	150	153	153
Average daily population	55	57	60	60
Average length of stay (months)	7.4	7.6	8	8
Average daily population:	55	57	60	60
Machine tool operation	11	11	12	12
Mechanics	11	11	12	12
Truck driving	10	12	12	12
Truck trailer repair	12	12	12	12
Welding	11	11	12	12
Willow River/work program:				
Number of inmates served	40	50	50	50
Average daily population	11	12	12	12
Average length of stay (months)	4.9	5	5	5
Moose Lake/short-term offender program: (beg. 4/25/88)				
Number of inmates served	47	260	280	280
Average daily population	9	45	60	60
Average length of stay (months)	1.1	2.5	2.5	2.5

<u>Type of Revenue</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual F.Y. 1988</u>	<u>Estimate F.Y. 1989</u>	<u>Estimate F.Y. 1990</u>	<u>Estimate F.Y. 1991</u>
Dedicated - Special	\$ 4	\$ 4	\$ 4	\$ 4

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : CORRECTIONAL INSTITUTIONS
BUDGET ACTIVITY : MCF-WILLOW RIVER/MOOSE LAKE

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	1,251	1,736	1,111	677	1,788	1,773	1,111	677	1,788	1,788
EXPENSES/CONTRACTUAL SRVCS	368	536	339	197	536	534	336	199	535	535
MISC OPERATING EXPENSES	166	229	211	7	218	218	211	7	218	218
SUPPLIES/MATERIALS/PARTS	352	395	337	98	435	435	337	98	435	435
CAPITAL EQUIPMENT	72	64	33	14	47	47	33	12	45	45
REAL PROPERTY	10	0	0	0	0	0	0	0	0	0
REDISTRIBUTIONS	1	1	2	0	2	2	2	0	2	2
TOTAL EXPENDITURES	2,220	2,961	2,033	993	3,026	3,009	2,030	993	3,023	3,023
CHANGE REQUESTS: FUND										
A POPULATION INCREASE				964		964		962		962
A COMPUTER TECHNOLOGY UPGRADE				15		0		15		15
P REPAIR & REPLACEMENT				5		3		7		7
P FOOD PROVISIONS ADJUSTMENT				9		9		9		9
TOTAL CHANGE REQUESTS				993		976		993		993
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,712	1,774	1,765	993	2,758	2,741	1,762	993	2,755	2,755
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	321	925	4	0	4	4	4	0	4	4
FEDERAL	36	34	36	0	36	36	36	0	36	36
AGENCY	151	228	228	0	228	228	228	0	228	228
TOTAL FINANCING	2,220	2,961	2,033	993	3,026	3,009	2,030	993	3,023	3,023
POSITIONS BY FUND:										
GENERAL	27.0	27.0	27.0	19.0	46.0	45.5	27.0	19.0	46.0	46.0
SPECIAL REVENUE	14.0	18.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : CORRECTIONAL INSTITUTIONS
BUDGET ACTIVITY : MCF-WILLOW RIVER/MOOSE LAKE

POSITIONS BY FUND:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
FEDERAL	0.5	0.5	0.5	0.0	0.5	0.5	0.5	0.0	0.5	0.5
TOTAL POSITIONS	41.5	46.0	27.5	19.0	46.5	46.0	27.5	19.0	46.5	46.5

ACTIVITY: MINNESOTA CORRECTIONAL FACILITY- 1990-91 Biennial Budget
 SAUK CENTRE
Program: CORRECTIONAL INSTITUTIONS
Agency: CORRECTIONS, DEPARTMENT OF

PURPOSE:

The Minnesota Correctional Facility-Sauk Centre (MCF-Sauk Centre) exists to receive and treat, in a safe, secure and humane environment, delinquent boys from juvenile courts in the 66 counties comprising the Department of Corrections designated western region and delinquent girls from juvenile courts throughout the state.

MCF-Sauk Centre's mission includes public safety as well as treatment of residents. This is accomplished through programming and establishment of individual goals for each resident aimed at attitudinal and positive behavioral changes. Such changes are facilitated through academic and remedial education as well as individual counseling and group solving sessions. This is accomplished in an open campus and living quarters consisting on 2-story cottages housing 20 residents each.

MCF-Sauk Centre also provides detention and pre-dispositional evaluations to the juvenile courts.

In 1987 the Sauk Centre campus also became the site of the Minnesota Department of Corrections Regional Training Center. The center provides both the department's pre-service and in-service training.

Statutory Reference: M.S. Ch. 242.51.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Number of residents served	520	550	550	550
Average daily population:	72	89	85	85
Boys	57	74	65	65
Girls	15	15	20	20
Average daily cost	\$130.25	\$109.75	\$123.64	\$123.51
Average length of stay (months)	4.3	4.0	4.0	4.0
Security:				
Juvenile runaways	88	75	70	70
% of participation in education	100	100	100	100
Number served:	247	300	300	300
County detention services	230	280	280	280
County pre-dispositional services	17	20	20	20

REVENUE:

This activity generates dedicated revenue.

<u>Type of Revenue</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Dedicated - Special	\$ 135	\$ 185	\$ 193	\$ 193

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : CORRECTIONAL INSTITUTIONS
BUDGET ACTIVITY : MCF-SAUK CENTRE

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	3,224	3,353	3,511	48	3,559	3,534	3,511	48	3,559	3,550
EXPENSES/CONTRACTUAL SRVCS	196	191	143	101	244	198	142	67	209	209
MISC OPERATING EXPENSES	108	138	136	8	144	144	136	8	144	144
SUPPLIES/MATERIALS/PARTS	311	355	320	35	355	355	320	35	355	355
CAPITAL EQUIPMENT	63	52	43	9	52	50	42	6	48	46
REDISTRIBUTIONS	5	4	16	0	16	16	16	0	16	16
TOTAL EXPENDITURES	3,907	4,093	4,169	201	4,370	4,297	4,167	164	4,331	4,320
CHANGE REQUESTS: FUND										
A POPULATION INCREASE					57	57		54		54
A COMPUTER TECHNOLOGY UPGRADE					42	17		42		33
P REPAIR & REPLACEMENT					94	48		60		60
P FOOD PROVISIONS ADJUSTMENT					6	6		6		6
P LITERACY PROGRAM					2	0		2		0
TOTAL CHANGE REQUESTS					201	128		164		153
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	3,524	3,660	3,754	201	3,955	3,882	3,752	164	3,916	3,905
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	135	185	193	0	193	193	193	0	193	193
FEDERAL	188	182	156	0	156	156	156	0	156	156
AGENCY	60	66	66	0	66	66	66	0	66	66
TOTAL FINANCING	3,907	4,093	4,169	201	4,370	4,297	4,167	164	4,331	4,320
POSITIONS BY FUND:										
GENERAL	78.5	78.5	78.5	1.0	79.5	79.5	78.5	1.0	79.5	79.5
SPECIAL REVENUE	3.5	4.5	4.5	0.0	4.5	4.5	4.5	0.0	4.5	4.5

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : CORRECTIONAL INSTITUTIONS
BUDGET ACTIVITY : MCF-SAUK CENTRE

POSITIONS BY FUND:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
FEDERAL	4.0	4.0	3.0	0.0	3.0	3.0	3.0	0.0	3.0	3.0
TOTAL POSITIONS	86.0	87.0	86.0	1.0	87.0	87.0	86.0	1.0	87.0	87.0

ACTIVITY: THISTLEDEW CAMP
 Program: CORRECTIONAL INSTITUTIONS
 AGENCY: CORRECTIONS, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

Thistledeew Camp provides on a per diem basis an educational and confidence building outdoor survival program for young men 13 to 18 years old who experience difficulties in their home communities. The program is designed to enhance self-confidence and self-image in the students so that when they return to their home community they will not be involved in further delinquent behavior. The Camp is located in the George Washington State Forest, 250 miles north of the Minneapolis/St. Paul on Highway 65 near Togo.

Thistledeew Camp is available for use by all juvenile county courts in Minnesota and provides county court services and social services with an alternative residential program. It provides educational resources and vocational exploration designed to meet the needs of individual students referred to Camp. The goal is to meet the academic needs of students continuing their high school education and to involve all students in pre-vocational and work skill programs at least 20 hours per week. The Camp's Challenge Program is designed to build self-confidence, develop leadership abilities and teach the importance of teamwork.

The primary funding source for operation of the Camp includes the purchase of service agreements with counties and a contract with the local school district.

Statutory Reference: M.S. 241.01.

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Number of students served	250	227	227	227
Average daily population	51	45	45	45
Total per diem:	\$ 93.89	\$ 95.79	\$ 112.94	\$ 118.35
County contract per diem	\$ 66.00	\$ 66.00	\$ 81.95	\$ 85.84
Education contract per diem	\$ 27.89	\$ 29.79	\$ 30.99	\$ 32.84
Average length of stay (days)	96	96	96	96
Number entering program (admitted):	195	180	180	180
Number of successful completions (graduated)	162	164	164	164
Number of returnees (inappropriate referrals)	38	16	16	16
% of successful completions	83	91	91	91
Years of academic growth:				
Reading	.57	.60	.60	.60
Math	1.92	2.00	2.00	2.00
Vocabulary	1.01	.90	.90	.90
Comprehension	1.29	1.29	1.30	1.30

REVENUE:

This activity generates dedicated receipts.

<u>Type of Revenue</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual F.Y. 1988</u>	<u>Estimate F.Y. 1989</u>	<u>Estimate F.Y. 1990</u>	<u>Estimate F.Y. 1991</u>
Dedicated - Special	\$ 1,585	\$ 1,783	\$ 1,897	\$ 1,986

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : CORRECTIONAL INSTITUTIONS
BUDGET ACTIVITY : THISTLEDEW CAMP

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	1,292	1,408	1,513	0	1,513	1,513	1,587	0	1,587	1,587
EXPENSES/CONTRACTUAL SRVCS	81	130	96	15	111	104	92	23	115	115
MISC OPERATING EXPENSES	88	97	99	0	99	99	104	0	104	104
SUPPLIES/MATERIALS/PARTS	147	202	204	0	204	204	211	0	211	211
CAPITAL EQUIPMENT	60	52	51	0	51	51	52	0	52	52
REDISTRIBUTIONS	22	26	27	0	27	27	28	0	28	28
TOTAL EXPENDITURES	1,690	1,915	1,990	15	2,005	1,998	2,074	23	2,097	2,097
CHANGE REQUESTS:										
P REPAIR & REPLACEMENT				15		8		23		23
TOTAL CHANGE REQUESTS				15		8		23		23
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	19	46	10	15	25	18	3	23	26	26
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	1,585	1,783	1,897	0	1,897	1,897	1,986	0	1,986	1,986
FEDERAL	50	41	37	0	37	37	37	0	37	37
AGENCY	36	45	46	0	46	46	48	0	48	48
TOTAL FINANCING	1,690	1,915	1,990	15	2,005	1,998	2,074	23	2,097	2,097
POSITIONS BY FUND:										
SPECIAL REVENUE	34.0	35.0	35.0	0.0	35.0	35.0	35.0	0.0	35.0	35.0
TOTAL POSITIONS	34.0	35.0	35.0	0.0	35.0	35.0	35.0	0.0	35.0	35.0

ACTIVITY: MINNESOTA CORRECTIONAL FACILITY-STILLWATER 1990-91 Biennial Budget
Program: CORRECTIONAL INSTITUTIONS
Agency: CORRECTIONS, DEPARTMENT OF

PURPOSE:

The primary purpose of the Minnesota Correctional Facility-Stillwater (MCF-Stillwater) is to protect the public by confining adult male offenders in a safe, secure and humane environment. The secondary purpose is to provide academic and vocational education, therapeutic programs and employment for inmates.

Stillwater is the state's largest correctional facility and serves as the receiving institution for all convicted male felons aged 24 and older. Inmates may be transferred to other correctional facilities at some point in accordance with established classification criteria.

Educational programs range from basic education through college level, plus a variety of vocational programs operated through a contract with Northeast Metropolitan Intermediate School District 916. There is also a full-time 90 day residential chemical dependency program in which 30 inmates participate. The industry program includes the metal products division, bus repair, and a variety of other smaller contract programs. Many inmates who are not involved in programs already mentioned, work in institutional maintenance jobs.

The institution has a minimum security area outside the walls which houses about 75 inmates nearing the end of their incarceration.

Statutory Reference: M.S. Ch. 243.40.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Number of inmates served	2,998	3,000	3,000	3,000
Average daily population	1,154	1,200	1,240	1,240
Average daily costs	\$ 47.21	\$ 46.32	\$ 52.49	\$ 52.49
Average length of stay (months)	21.0	21.0	21.0	21.0
Security:				
Close security escapes	-0-	1	-0-	-0-
Minimum security escapes	5	3	3	3
Average daily program participation:				
Academic education	157	150	150	150
Vocational	87	90	90	90
Chemical dependency (Atlantis)	32	32	32	32
Sex offender	22	23	23	23
Average daily employment:				
Industry program	169	165	175	175
Support services	376	375	405	415
% of inmates in:				
Productive assignment	69.3	70.0	71.0	72.0
Segregation	5.5	5.4	5.3	5.3
Protective custody	2.5	2.5	2.5	2.5
Idle status	22.7	22.1	21.2	20.2

REVENUE:

This activity generates dedicated revenue.

<u>Type of Revenue</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual F.Y. 1988</u>	<u>Estimate F.Y. 1989</u>	<u>Estimate F.Y. 1990</u>	<u>Estimate F.Y. 1991</u>
Dedicated - Special	\$ 2,154	\$ 1,614	\$ 150	\$ 150

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : CORRECTIONAL INSTITUTIONS
BUDGET ACTIVITY : MCF-STILLWATER

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	18,261	18,663	18,562	1,735	20,297	19,972	18,562	1,735	20,297	20,002
EXPENSES/CONTRACTUAL SRVCS	1,498	1,316	1,393	90	1,483	1,454	1,290	43	1,333	1,337
MISC OPERATING EXPENSES	2,934	2,939	2,883	113	2,996	2,996	2,883	113	2,996	2,996
SUPPLIES/MATERIALS/PARTS	6,722	6,035	5,642	730	6,372	6,372	5,642	730	6,372	6,372
CAPITAL EQUIPMENT	154	86	119	12	131	131	118	10	128	128
REAL PROPERTY	56	5	5	0	5	5	5	0	5	5
REDISTRIBUTIONS	66	105	85	0	85	85	85	0	85	85
STATE OPERATIONS	29,691	29,149	28,689	2,680	31,369	31,015	28,585	2,631	31,216	30,925
AIDS TO INDIVIDUALS	15	17	17	0	17	17	17	0	17	17
TOTAL EXPENDITURES	29,706	29,166	28,706	2,680	31,386	31,032	28,602	2,631	31,233	30,942
CHANGE REQUESTS: FUND										
A POPULATION INCREASE	GEN			2,265		2,149		2,263		2,147
A PRE-SERVICE/IN-SERVICE TRAINING	GEN			18		0		18		0
A COMPUTER TECHNOLOGY UPGRADE	GEN			45		15		45		45
P REPAIR & REPLACEMENT	GEN			60		31		13		17
P FOOD PROVISIONS ADJUSTMENT	GEN			96		96		96		96
P LITERACY PROGRAM	GEN			161		0		161		0
B AFFIRMATIVE ACTION OFFICER	GEN			35		35		35		35
TOTAL CHANGE REQUESTS				2,680		2,326		2,631		2,340
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	19,992	20,342	21,345	2,680	24,025	23,671	21,241	2,631	23,872	23,581
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	2,154	1,614	150	0	150	150	150	0	150	150
FEDERAL	23	21	21	0	21	21	21	0	21	21
AGENCY	3,196	3,150	3,152	0	3,152	3,152	3,152	0	3,152	3,152
GIFTS AND DEPOSITS	0	6	7	0	7	7	7	0	7	7

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : CORRECTIONAL INSTITUTIONS
BUDGET ACTIVITY : MCF-STILLWATER

SOURCES OF FINANCING:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
CORRECTIONAL INDUS	4,341	4,033	4,031	0	4,031	4,031	4,031	0	4,031	4,031
TOTAL FINANCING	29,706	29,166	28,706	2,680	31,386	31,032	28,602	2,631	31,233	30,942
POSITIONS BY FUND:										
GENERAL	392.0	392.0	392.0	46.0	438.0	432.0	392.0	46.0	438.0	432.5
SPECIAL REVENUE	16.0	17.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AGENCY	1.0	1.0	1.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0
CORRECTIONAL INDUS	49.0	44.9	43.9	0.0	43.9	43.9	43.9	0.0	43.9	43.9
TOTAL POSITIONS	458.0	454.9	436.9	46.0	482.9	476.9	436.9	46.0	482.9	477.4

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MINNESOTA CORRECTIONAL FACILITY-STILLWATER
 PROGRAM: CORRECTIONAL INSTITUTIONS
 AGENCY: CORRECTIONS, DEPARTMENT OF

REQUEST TITLE: AFFIRMATIVE ACTION OFFICER

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
General Fund	\$ 35	1.0	\$ 35	1.0
Governor's Recommendation				
General Fund	\$ 35	1.0	\$ 35	1.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

Minnesota Correctional Facility-Stillwater (MCF-Stillwater) requests the above funds to hire an Affirmative Action Officer. The objective is to provide equality in the employment of protected groups, and to monitor and assist in the resolution of incidents of harassment or discrimination in the workplace.

DESCRIPTION/BACKGROUND:

Mandated by the Civil Rights Act of 1964, the 1978 Minnesota Legislation passed a Law "Chapter 708" amending M.S. 43.15. This law requires a state-wide affirmative action program and agency affirmative action plans covering all employees in the executive branch.

On 1-1-88, the Commissioner of Corrections reaffirmed the department's commitment to the State of Minnesota's Equal Employment Opportunity Policy and Statewide Affirmative Action Program.

Inequities in the past affecting minorities, women, and the handicapped, require special attention to ensure that equal employment opportunities are available to these groups of people.

In February, 1988, the Warden reaffirmed that the MCF-Stillwater, would comply with all policies and procedures relating to the affirmative action program.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. of female/handicapped/minority:				
Bargaining Unit 208-Correctional Counselors				
Actual	75	75	80	85
Goal	87	87	92	92
Bargaining Unit 214-Professionals				
Actual	6	6	8	10
Goal	19	19	20	20

RATIONALE:

In 1988, the Department of Corrections Affirmative Action Officer analyzed and assessed the affirmative action situation at the MCF-Stillwater. By this study, the department recommended that the facility have a permanent full-time Affirmative Action Officer due to its size, number of employees, and the complexity of its affirmative action issues.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ -0-	\$ -0-	\$ -0-	\$ -0-
General Fund Positions	-0-	-0-	-0-	-0-

LONG RANGE FUNDING IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 35	\$ 35	\$ 70
General Fund Positions	1.0	1.0	1.0

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

ACTIVITY: MINNESOTA CORRECTIONAL FACILITY-ST. CLOUD 1990-91 Biennial Budget
Program: CORRECTIONAL INSTITUTIONS
AGENCY: CORRECTIONS, DEPARTMENT OF

PURPOSE:

The purpose of the Minnesota Correctional Facility-St. Cloud is to maintain a safe, secure and humane environment for adult male offenders. It is a close security facility housing younger adult males.

The facility provides protection to the public by holding offenders until officially released and by working with inmates through a variety of educational, vocational and work programs or specialized program, such as chemical dependency, to provide inmates with the opportunity to gain skills necessary to re-enter the community with an expectancy of success. Treatment programs include individual, group and job counseling and drug treatment.

A complete academic education program ranges from remedial school through high school and 2 years of college. The vocational school offers 12 different programs and includes baking, printing, small engine repair, auto body, meat cutting, auto mechanics, welding, barbering, upholstery, masonry, painting and decorating and furniture refinishing.

Activities offered to inmates through the industry program include the manufacture and upholstery of furniture, the production of mattresses and license plates, and engraving/silk screening.

Beginning in F.Y. 1988, the addition of dormitory space expanded the bed capacity of MCF-St. Cloud by 50 for a total of 720.

Statutory Reference: M.S. Ch. 243.75

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Number of inmates served	1,708	1,900	1,950	1,950
Average daily population	677	700	720	720
Average daily cost	\$ 58.25	\$ 58.97	\$ 62.07	\$ 62.07
Average length of stay (months)	18.4	18.4	18.2	18.0
Security:				
Escapes (close security)	-0-	-0-	-0-	-0-
Average program participation:				
Academic*	70	70	70	70
Vocational	123	124	124	124
Higher Education	39	36	36	36
Treatment Programs	40	45	45	45
Average daily employment:				
Industries	73	113	113	113
Support	281	285	285	285
% of inmates in:				
Productive assignments	87.1	86.5	86.5	86.5
Segregation	8.1	8.5	8.5	8.5
Idle status	4.8	5.0	5.0	5.0

* The count shown is based on a student or a combination of students attending 7-hours of classes per day.

REVENUE:

This activity generates dedicated and non-dedicated revenue.

<u>Type of Revenue</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual F.Y. 1988</u>	<u>Estimate F.Y. 1989</u>	<u>Estimate F.Y. 1990</u>	<u>Estimate F.Y. 1991</u>
Non-dedicated	\$ 20	\$ 22	\$ 22	\$ 22
Dedicated - Special	668	1,272	96	96
Total Revenue	\$ 688	\$ 1,294	\$ 118	\$ 118

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : CORRECTIONAL INSTITUTIONS
BUDGET ACTIVITY : MCF-ST CLOUD

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	12,720	13,100	13,114	1,102	14,216	13,861	13,114	1,102	14,216	13,890
EXPENSES/CONTRACTUAL SRVCS	572	557	522	209	731	629	466	65	531	531
MISC OPERATING EXPENSES	1,033	1,112	1,108	0	1,108	1,108	1,108	0	1,108	1,108
SUPPLIES/MATERIALS/PARTS	2,257	2,720	2,361	158	2,519	2,519	2,361	158	2,519	2,519
CAPITAL EQUIPMENT	238	561	131	6	137	137	131	6	137	137
REAL PROPERTY	56	0	0	0	0	0	0	0	0	0
REDISTRIBUTIONS	13	41	63	0	63	63	63	0	63	63
STATE OPERATIONS	16,889	18,091	17,299	1,475	18,774	18,317	17,243	1,331	18,574	18,248
AIDS TO INDIVIDUALS	9	9	9	0	9	9	9	0	9	9
TOTAL EXPENDITURES	16,898	18,100	17,308	1,475	18,783	18,326	17,252	1,331	18,583	18,257
CHANGE REQUESTS: FUND										
A POPULATION INCREASE					1,127	868		1,127		868
A PRE-SERVICE/IN-SERVICE TRAINING					14	0		14		0
A COMPUTER TECHNOLOGY UPGRADE					45	15		45		44
P REPAIR & REPLACEMENT					209	107		65		65
P FOOD PROVISIONS ADJUSTMENT					28	28		28		28
P LITERACY PROGRAM					52	0		52		0
TOTAL CHANGE REQUESTS					1,475	1,018		1,331		1,005
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	14,129	14,700	15,159	1,475	16,634	16,177	15,103	1,331	16,434	16,108
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	668	1,272	96	0	96	96	96	0	96	96
FEDERAL	137	275	201	0	201	201	201	0	201	201
AGENCY	1,330	1,278	1,277	0	1,277	1,277	1,277	0	1,277	1,277
CORRECTIONAL INDUS	634	575	575	0	575	575	575	0	575	575

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : CORRECTIONAL INSTITUTIONS
BUDGET ACTIVITY : MCF-ST CLOUD

SOURCES OF FINANCING:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
TOTAL FINANCING	16,898	18,100	17,308	1,475	18,783	18,326	17,252	1,331	18,583	18,257
POSITIONS BY FUND:										
GENERAL	316.6	316.6	316.6	33.0	349.6	339.6	316.6	33.0	349.6	340.1
SPECIAL REVENUE	11.3	11.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL	2.8	2.8	1.8	0.0	1.8	1.8	1.8	0.0	1.8	1.8
CORRECTIONAL INDUS	7.0	7.0	6.0	0.0	6.0	6.0	6.0	0.0	6.0	6.0
TOTAL POSITIONS	337.7	337.7	324.4	33.0	357.4	347.4	324.4	33.0	357.4	347.9

ACTIVITY: MINNESOTA CORRECTIONAL FACILITY-
OAK PARK HEIGHTS
Program: CORRECTIONAL INSTITUTIONS
Agency: CORRECTIONS, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

The primary objective of Minnesota's maximum security correctional facility is to operate with a high priority on public safety, while providing a secure, safe, just and humane environment. This environment assists the inmate in facilitating those changes in himself that improve his probability for a successful adjustment upon his return to a less secure facility and/or to the free community.

The Minnesota Correctional Facility-Oak Park Heights (MCF-Oak Park Heights) as the state's high security adult male correctional institution is designed to receive inmates transferred from the St. Cloud and Stillwater facilities who are classified as maximum custody or risks to the public including those convicted of serious person offenses, high escape risks and dangerous or serious management cases. Program opportunities are provided in the areas of training, education, sex offender treatment, chemical dependency treatment, mental health and work experiences under close supervision within a highly structured environment. The institution climate is designed to encourage inmate participation and maximize the number of difficult to manage inmates involved in constructive program assignments, while reducing the frequency, scope and seriousness of the inevitable incidents in a maximum security facility. This institution houses over 90% person offenders of which nearly 40% are serving sentences for some form of homicide, and are programmed out of their cells 15 hours a day, 7 days a week. The Oak Park Heights program enables the department to operate the other major correctional institutions with increased safety and security for inmates and staff, while permitting more creative and less restrictive programming in these facilities.

While the institution is designed and staffed to maximize the control and supervision of identified high risk inmates, the institution does provide a wide range of activities with the primary focus on industry. Product lines include micrographics, vinyl office products, commercial sewing, printing and a variety of contract services that not only provide opportunities for the inmates to acquire marketable skills, but also viable products which have the potential of generating sufficient revenue to operate a financially solvent industry program.

Statutory Reference: M.S. Ch. 241.01, Subd. 3a.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Number of inmates served	734	740	740	740
Average daily population	373	375	375	375
Average daily cost	\$ 95.44	\$ 96.66	\$ 101.46	\$ 101.46
Average length of stay (months):				
Mental health unit only	2	2	2	2
All other living units	16	16	16	16
Maximum security escapes	-0-	-0-	-0-	-0-
Average daily employment:				
Industry program	102	103	104	105
Support services	47	48	48	48
Food Services	30	30	30	30

<u>STATISTICS (Continued):</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Average daily program participation:				
Education program	30	35	38	40
Sex offender treatment program	10	10	10	10
Chemical dependency treatment program	13	13	13	13
Sex offender/chemical dependency dual treatment	28	28	28	28
Mental health assignments	14	15	15	15
Infirmary assignments	8	8	8	8
Receiving and orientation assignments	5	5	5	5
Segregation assignments	43	43	43	43
Awaiting assignment	13	12	12	12
Assignment refused by inmate	30	25	21	18
% of inmates in:				
Constructive assignments	77	79	80	81
Segregation	12	11	11	11
Awaiting assignment	3	3	3	3
Assignment refused by inmate	8	7	6	5

REVENUE:

This activity generates dedicated revenue.

<u>Type of Revenue</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Dedicated - Special	\$ 420	\$ 800	\$ 99	\$ 99

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : CORRECTIONAL INSTITUTIONS
BUDGET ACTIVITY : MCF-OAK PARK

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	10,653	11,372	11,627	48	11,675	11,627	11,687	48	11,735	11,717
EXPENSES/CONTRACTUAL SRVCS	964	1,032	933	27	960	933	935	27	962	935
MISC OPERATING EXPENSES	1,234	1,349	1,318	0	1,318	1,318	1,323	0	1,323	1,323
SUPPLIES/MATERIALS/PARTS	2,402	2,589	2,578	96	2,674	2,674	2,728	96	2,824	2,824
CAPITAL EQUIPMENT	157	115	90	2	92	90	90	2	92	90
REAL PROPERTY	90	0	0	179	179	92	0	50	50	50
REDISTRIBUTIONS	48	50	52	0	52	52	54	0	54	54
STATE OPERATIONS	15,548	16,507	16,598	352	16,950	16,786	16,817	223	17,040	16,993
AIDS TO INDIVIDUALS	0	1	1	0	1	1	1	0	1	1
TOTAL EXPENDITURES	15,548	16,508	16,599	352	16,951	16,787	16,818	223	17,041	16,994
CHANGE REQUESTS: FUND										
A PRE-SERVICE/IN-SERVICE TRAINING				18		0		18		0
A COMPUTER TECHNOLOGY UPGRADE				30		0		30		30
P REPAIR & REPLACEMENT				179		92		50		50
P FOOD PROVISIONS ADJUSTMENT				96		96		96		96
P LITERACY PROGRAM				29		0		29		0
TOTAL CHANGE REQUESTS				352		188		223		176
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	13,006	13,277	13,847	352	14,199	14,035	13,847	223	14,070	14,023
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	420	800	99	0	99	99	99	0	99	99
FEDERAL	17	15	15	0	15	15	15	0	15	15
AGENCY	960	1,017	1,017	0	1,017	1,017	1,017	0	1,017	1,017
GIFTS AND DEPOSITS	4	0	2	0	2	2	2	0	2	2
CORRECTIONAL INDUS	1,141	1,399	1,619	0	1,619	1,619	1,838	0	1,838	1,838

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : CORRECTIONAL INSTITUTIONS
BUDGET ACTIVITY : MCF-OAK PARK

SOURCES OF FINANCING:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
TOTAL FINANCING	15,548	16,508	16,599	352	16,951	16,787	16,818	223	17,041	16,994
POSITIONS BY FUND:										
GENERAL	287.5	287.5	287.5	1.0	288.5	287.5	287.5	1.0	288.5	288.5
AGENCY	1.0	1.0	0.5	0.0	0.5	0.5	0.5	0.0	0.5	0.5
CORRECTIONAL INDUS	6.5	6.5	6.5	0.0	6.5	6.5	6.5	0.0	6.5	6.5
TOTAL POSITIONS	295.0	295.0	294.5	1.0	295.5	294.5	294.5	1.0	295.5	295.5

ACTIVITY: HEALTH CARE 1990-91 Biennial Budget
 Program: CORRECTIONAL INSTITUTIONS HEALTH CARE
 Agency: CORRECTIONS, DEPARTMENT OF

PURPOSE:

The purpose of this activity is to plan, implement and coordinate medical, mental health, dental, environmental and other support programs for the department to ensure the development of adequate, comprehensive, quality health services. Aside from the on-site primary medical and dental services delivered at each institution, other major efforts include:

- 1) the inpatient unit at the St. Paul- Ramsey Medical Center;
- 2) the Mental Health Unit at Oak Park Heights; and
- 3) the coordination and advancement of chemical health within the department.

Statutory Reference: MS 241.01, Subd. 3a and 243.57.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Number of annual physical exams completed	1,200	1,300	1,500	1,500
Number of sick calls held (per year)	1,990	2,000	2,028	2,028
Number of chemical dependency referrals	500	500	575	575
Number of inmates seen at sick call throughout the state per day	169	169	194	194
Patients served by St. Paul-Ramsey Medical Center:				
Inpatient	2,280	2,295	2,350	2,400
Outpatient	230	235	250	250
	2,050	2,060	2,100	2,150
Number of admissions to Mental Health Unit	120	120	120	120
Number of medical record audits	30	30	38	38
Number of institutional inspections by external regulatory bodies	25	30	54	54

REVENUE:

None

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : CORRECTIONAL INSTITUTIONS
BUDGET ACTIVITY : HEALTH CARE

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	1,269	1,290	1,393	43	1,436	1,436	1,393	43	1,436	1,436
EXPENSES/CONTRACTUAL SRVCS	1,896	1,939	1,832	614	2,446	2,237	1,832	680	2,512	2,237
MISC OPERATING EXPENSES	17	18	18	2	20	20	18	2	20	20
SUPPLIES/MATERIALS/PARTS	15	18	18	2	20	20	18	2	20	20
TOTAL EXPENDITURES	3,197	3,265	3,261	661	3,922	3,713	3,261	727	3,988	3,713
CHANGE REQUESTS: FUND										
A POPULATION INCREASE					452	452		452		452
B HEALTH CARE FUNDING FOR AIDS					209	0		275		0
TOTAL CHANGE REQUESTS					661	452		727		452
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	3,197	3,265	3,261	661	3,922	3,713	3,261	727	3,988	3,713
TOTAL FINANCING	3,197	3,265	3,261	661	3,922	3,713	3,261	727	3,988	3,713
POSITIONS BY FUND:										
GENERAL	34.0	36.0	36.0	2.5	38.5	38.5	36.0	2.5	38.5	38.5
TOTAL POSITIONS	34.0	36.0	36.0	2.5	38.5	38.5	36.0	2.5	38.5	38.5

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: HEALTH CARE
 PROGRAM: CORRECTIONAL INSTITUTIONS
 AGENCY: CORRECTIONS, DEPARTMENT OF

REQUEST TITLE: HEALTH CARE FUNDING FOR AIDS PATIENTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 209	-0-	\$ 275	-0-

Governor's Recommendation

General Fund	\$ -0-	-0-	\$ -0-	-0-
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Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests additional funds to provide health care to individuals who are manifesting symptoms of AIDS.

DESCRIPTION/BACKGROUND:

The department is projecting an increase in the number of persons with AIDS in state correctional facilities during the coming biennium. Because there is no historical perspective to base expenditures on, it is difficult to determine the cost of health care for this population.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number of persons with AIDS	1	5	19	25

RATIONALE:

The Health Department estimates that the cost of health care to AIDS patients will average about \$45,000 per year. Preliminary cost figures of \$11,000 are less for Corrections because much of the nursing care is provided within the institutions. However, significant hospitalization costs will cause budget shortages if not funded.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ -0-	\$ -0-	\$ -0-	\$ -0-

LONG RANGE FUNDING IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 275	\$ 275	\$ 550

GOVERNOR'S RECOMMENDATION:

The Governor does not support the agency's request for this item. Estimates of the number of inmates with AIDS and the associated excess cost are speculative. The department should isolate these costs in the budget and monitor them closely. At this time, the department should attempt to manage excess costs within the existing health care budget. Should the costs prove unmanageable, the department can seek authority through the Legislative Advisory Commission to cover any deficits with transfers from other activities, or seek a deficiency appropriation.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: HEALTH CARE
 PROGRAM: CORRECTIONAL INSTITUTIONS
 AGENCY: CORRECTIONS, DEPARTMENT OF

REQUEST TITLE: HEALTH CARE STAFF POSITIONS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ -0-	2.0	\$ -0-	2.0
Governor's Recommendation				
General Fund	\$ -0-	2.0	\$ -0-	2.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests that 2.0 positions be incorporated into the department's staff complement rather than contract with St. Paul-Ramsey Medical Center for these positions. This request includes the transfer of contract service dollars to salary dollars.

DESCRIPTION/BACKGROUND:

The incumbents are St. Paul-Ramsey Medical Center (SPRMC) employees assigned to the Oak Park Heights and Stillwater facilities. They are the Director of the Mental Health Unit at Oak Park Heights and the Psychiatric Social Worker at Stillwater. The department contracted with SPRMC to provide these 2.0 clinical positions because it was the quickest, most effective way to meet a critical staffing shortage at the time.

It is now in the department's best interest to incorporate these clinical positions into the staff complement. This is necessary because there are administrative responsibilities that cannot be delegated to these incumbents because they are not state employees.

Two other positions that used to be covered by the contract (the Health Care Administrator and clerical support position) were requested and received in the 1988 Legislative Session.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Contract positions	2.0	2.0	-0-	-0-
Staff positions	2.0	2.0	4.0	4.0

RATIONALE:

By approving these position requests, the department will be able to delegate decision making to the appropriate clinical experts. Funds for these posi-

tions would be transferred from the SPRMC contract.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 111	\$ 113	\$ 113	\$ 113
General Fund Positions	-0-	-0-	-0-	-0-

LONG RANGE FUNDING IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ -0-	\$ -0-	\$ -0-
General Fund Positions	2.0	2.0	2.0

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

ACTIVITY: EDUCATION
 Program: CORRECTIONAL INSTITUTIONS
 Agency: CORRECTIONS, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

The education unit provides centralized planning, implementation, and coordination of educational services in 9 correctional institutions. Services include:

- 1) determination of services to be offered;
- 2) allocation and development of federal resources and legislative appropriations;
- 3) program design and methodology;
- 4) program evaluation;
- 5) college and school district contracting;
- 6) industry education support;
- 7) liaison to colleges, universities, vocational schools, school districts, state Department of Education, and other allied agencies;
- 8) technical assistance to wardens, superintendents, and educational administrators within the correctional facilities;
- 9) coordination of the Department of Corrections' literacy programs.

These activities support inmates' access to educational services commensurable with outside community education including remedial, education resources, and maintain acceptable standards of education to improve inmate literacy and employable skills.

Statutory Reference: M.S. 241.01, Subd. 3a.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Number of students served	3,560	3,940	4,200	4,500
% of inmates served	50	60	70	70
Number of educational programs available	53	54	56	56
Number of students earning a high school diploma or a GED	290	300	320	350
Number of vocational certificates earned	120	130	140	150
Number of students served:				
Juveniles	700	760	800	800
Adult male	2,700	3,000	3,200	3,500
Adult female	160	180	200	200
Total number of students served	3,560	3,940	4,200	4,500
Cost per student served:				
Juvenile programs	\$2,198	\$2,200	\$2,200	\$2,200
Adult male	2,019	2,000	2,000	2,000
Adult female	1,277	1,500	1,600	1,600

REVENUE:

None

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : CORRECTIONAL INSTITUTIONS
BUDGET ACTIVITY : EDUCATION

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	102	147	107	0	107	107	107	0	107	107
EXPENSES/CONTRACTUAL SRVCS	219	233	234	0	234	234	234	0	234	234
MISC OPERATING EXPENSES	6	11	6	0	6	6	6	0	6	6
SUPPLIES/MATERIALS/PARTS	45	36	26	0	26	26	26	0	26	26
CAPITAL EQUIPMENT	52	59	59	0	59	59	59	0	59	59
REDISTRIBUTIONS	0	1	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	424	487	432	0	432	432	432	0	432	432
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	365	381	378	0	378	378	378	0	378	378
STATUTORY APPROPRIATIONS:										
FEDERAL	59	106	54	0	54	54	54	0	54	54
TOTAL FINANCING	424	487	432	0	432	432	432	0	432	432
POSITIONS BY FUND:										
GENERAL	2.0	2.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0
FEDERAL	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL POSITIONS	2.0	3.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0

ACTIVITY: INSTITUTIONAL SUPPORT SERVICES
Program: CORRECTIONAL INSTITUTIONS
AGENCY: CORRECTIONS, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

The purpose of this activity is to provide centralized coordination for the support activities to assure that adequate services are provided at each institution, to prevent duplication of services within the department and to provide fiscal control of the activities. Both the health care and education support services are supervised through this unit. This activity includes department wide coordination of transportation of inmates and supervised release violators, fugitive apprehension and control, sheriffs' expense reimbursement, facility accreditation, facility planning and development, jail staff training law library services, industries coordination and interstate corrections compact. Activities under this program include the following:

The transportation unit which coordinates the transportation of inmates between correctional facilities and between the St. Paul-Ramsey Medical Center and correctional facilities. Parole violators who are returned to correctional facilities (adult and juvenile) from Minnesota and out of state locations are also transported by this unit.

The fugitive unit is responsible for the issuing of fugitive arrest warrants of adult and juvenile fugitives and for coordinating the return to custody when they are located.

The accreditation activity involves the process whereby each correctional facility completes a detailed self-assessment and external audit of the facility's compliance with standards promulgated by the National Commission on Accreditation for Corrections which leads to a 3 year accreditation by the commission.

The facility planning and development activity involves planning of physical plant and/or modification of correctional facilities.

The Jail Resource Center provides technical assistance, training, hosts of visits, special issue seminars and an information clearinghouse for local jails.

The Law Library unit provides law library services to inmates.

This activity also administers the Interstate Corrections Compact which provides for the transfer to/from Minnesota correctional facilities for the confinement, treatment and rehabilitation of inmates.

The industries function provides professional level coordination and technical direction for the Department of Corrections industrial operation. This unit develops short and long range goals, provides technical assistance to institution industry programs, coordinates sales and assists in new product development. It monitors and reports system wide data regarding fiscal and marketing problems for all correctional industries. Industries coordination also maintains a liaison with the private sector and monitors operations in terms of compliance with existing state and federal legislation.

Statutory References: M.S. 241.01, Subd. 3a and 243.17, Subd. 1.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Number of facilities accredited	6	8	8	8
Number of warrants issued	676	700	675	650
Number of adult escapees/furlough violators	12	12	15	18
Number of persons transported	520	530	600	625
% of transports completed within 24 hours of request	75	80	85	90
Number of persons transported by sheriff	1,670	1,800	2,000	2,200
Number of consultant days plus person trained days	1,530	1,600	1,620	1,640
Number of training sessions for jails	25	28	30	30
Number of inmate law library requests processed	10,000	10,000	10,000	10,000
Industry net sales (000's)	\$6,900	\$7,100	\$7,300	\$7,500

REVENUE:

None

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : CORRECTIONAL INSTITUTIONS
BUDGET ACTIVITY : INSTITUTION SUPPORT SERV

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	407	399	398	886	1,284	1,284	398	886	1,284	1,284
EXPENSES/CONTRACTUAL SRVCS	131	145	107	56	163	151	107	56	163	151
MISC OPERATING EXPENSES	78	84	79	11	90	86	79	11	90	86
SUPPLIES/MATERIALS/PARTS	5	11	6	1,661	1,667	1,665	6	1,163	1,169	1,167
CAPITAL EQUIPMENT	3	5	0	3	3	2	0	1	1	0
TOTAL EXPENDITURES	624	644	590	2,617	3,207	3,188	590	2,117	2,707	2,688
CHANGE REQUESTS: FUND										
A POPULATION INCREASE				34		34		34		34
P POPULATION CONTINGENCY				2,500		2,500		2,000		2,000
B MN JAIL RESOURCE CENTER				83		64		83		64
TOTAL CHANGE REQUESTS				2,617		2,598		2,117		2,098
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	560	562	590	2,617	3,207	3,188	590	2,117	2,707	2,688
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	47	82	0	0	0	0	0	0	0	0
FEDERAL	17	0	0	0	0	0	0	0	0	0
TOTAL FINANCING	624	644	590	2,617	3,207	3,188	590	2,117	2,707	2,688
POSITIONS BY FUND:										
GENERAL	8.0	8.0	8.0	31.0	39.0	39.0	8.0	31.0	39.0	39.0
SPECIAL REVENUE	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL POSITIONS	9.0	9.0	8.0	31.0	39.0	39.0	8.0	31.0	39.0	39.0

CHANGE REQUEST **1990-91 Biennial Budget**
 _____ Agency _____ Program X Activity

ACTIVITY: INSTITUTION SUPPORT SERVICES
PROGRAM: CORRECTIONAL INSTITUTIONS
AGENCY: CORRECTIONS, DEPARTMENT OF

REQUEST TITLE: MINNESOTA JAIL RESOURCE CENTER

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 83	1.0	\$ 83	1.0
Governor's Recommendation				
General Fund	\$ 64	1.0	\$ 64	1.0

Request requires statutory change: _____ Yes X No
Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to continue the operation of the Minnesota Jail Resource Center which is currently funded through a combination of general funds and dedicated receipts. The dedicated receipts available for this project will end in F.Y. 1989 and the objective is to maintain the current level of direct services to local jails in Minnesota using general fund services.

DESCRIPTION/BACKGROUND:

The Minnesota Jail Resource Center has been operating as a part of state government over the past 8 years functioning as a full-service resource for local jails. Services provided at no cost to local jails and local public officials include on-site technical assistance and consultancy, hosted visits, special issue seminars, training sessions, statewide research, and assistance in standards compliance and accreditation. An information clearinghouse is also provided.

The Minnesota Jail Resource Center has been recognized nationally as a model for the provision of direct services to local jails. Due to changes in the amount of dedicated receipts available, an increase in state funds is required to maintain the current level of services for local jurisdictions. There are no other viable sources of comparable replacement funds.

The level of activity and services provided by the Minnesota Jail Resource Center is as follows:

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Technical assistance events	35	35	36	37
Hosted visits	2	5	7	9
Training events	25	28	30	30
Major information requests processed	101	110	110	110

STATISTICS (Continued): F.Y. 1988 F.Y. 1989 F.Y. 1990 F.Y. 1991

Other assistant events	38	40	40	40
Total number of services provided to jail	1,530	1,600	1,620	1,640

RATIONALE:

The Minnesota Jail Resource Center provides a direct service to local jurisdictions. Over the past 8 years, as the issue of jail lawsuits and litigation has become more severe, and as jail standards have strengthened, local officials have increasingly relied upon the Minnesota Jail Resource Center to provide technical assistance, training and information for their jails. The goal of the project is to reduce the risk of civil litigation/liability and to increase the professionalism and constitutionality of Minnesota's jails. Requests for assistance from county commissioners, sheriffs, and jail employees have increased annually indicating an increased need as well as reliance upon these services by local jurisdictions.

The CHANGE request will enable the Minnesota Jail Resource Center to continue operation at a budget level comparable to previous years' funding.

BASE: (Dollars in Thousands)

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 19	\$ 19	\$ 19	\$ 19
Special Revenue	47	82	-0-	-0-
Federal Fund	17	-0-	-0-	-0-
Total	83	101	19	19
Special Revenue Position	1.0	1.0	-0-	-0-

LONG RANGE FUNDING IMPLICATIONS: (Dollars in Thousands)

	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 83	\$ 83	\$ 166
General Fund Position	1.0	1.0	1.0

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for the following: a biennial reduction of \$38,000 to maintain the level of non-general funding that existed in F.Y. 1988.

PROGRAM: COMMUNITY SERVICES
 Agency: CORRECTIONS, DEPARTMENT OF

1990-91 Biennial Budget

PROGRAM PURPOSE:

This program provides a broad range of correctional services in the community. Included are jail and local facilities inspection and standards enforcement; probation, supervised release, work release and investigative services; Community Corrections Act administration and technical assistance, administration of subsidies to counties not participating in the Community Corrections Act; community residential programs and programs for victims of crime. The objectives of these services are: protection of the public, the control of criminal behavior, the development of the skills offenders require to function in a normal community setting, assistance to victims of crime and compliance with standards relating to local correctional facilities.

OPERATION:

This program encompasses the following operations:

1. Planning and programming for approximately 9,300 adults and juveniles annually through the use of probation, parole/supervised release and work release services.
2. Implementation and administration of the Community Corrections Act including assisting in the process of developing local correctional services to reduce utilization of state correctional services.
3. Provision of services to victims of crime, victims of battering, victims of sexual assault, programs for the treatment of batterers, and public and professional education regarding victimization.
4. Inspection, licensing and monitoring of approximately 175 holding facilities, lockups, jail, adult correctional facilities, and juvenile and adult residential facilities; providing technical assistance and training to jail operators.

BUDGET ISSUE:

In a major effort to control the growth of institution populations (to ensure availability of beds for serious offenders) and foster the use of less costly programming, the department emphasizes the special need for the following programs:

1. Increased state funding of the Community Corrections Act to encourage continued county participation and more effective community control of offenders.
2. Additional corrections agents (probation officers) to permit supervision of offenders at a level adequate to foster public safety.
3. Funding of Sentencing to Service project which will place selected offenders on Department of Natural Resources and local agency work projects.

EXPLANATION OF BUDGET REQUEST:

CHANGE levels requested for this program are as follows:

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
County Requested Probation Services	\$ 87	2.0	\$ 87	2.0
Probation and Supervised Release	571	13.5	613	15.0
Community Corrections Act	6,427		6,597	
Statewide Sentencing to Service	916	5.0	991	5.0
Work Release Program Expansion	1,047	3.0	1,047	3.0
Victim Services Administration	113	3.0	113	3.0
Crime Victim Center Grants	400		400	
Sexual Assault Grants	667		1,193	
Battered Women Grants/Dedicated Receipts	127		127	
Battered Women Grants	342		484	
Contract Programs	427	1.0	443	1.0
Foster Group Care Reimbursement	(126)		(126)	
	<u>\$10,998</u>	<u>27.5</u>	<u>\$11,969</u>	<u>29.0</u>

GOVERNORS RECOMMENDATION:

The Governor recommends a General Fund BASE of \$50,558,000 and a biennial increase of \$17,934,000 for the 1990-91 budget. Details on increased funding can be found on the following budget activity pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : COMMUNITY SERVICES

ACTIVITY EXPENDITURES:		F.Y. 1990					F.Y. 1991				
		FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
				BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
PROB & SUPVD REL		4,170	4,374	4,492	658	5,150	5,099	4,496	700	5,196	5,103
B COUNTY REQUESTED PROB SERVICES	GEN				87		87		87		87
B PROB & SUPVD REL-CLIENT/WKLD INCR	GEN				571		520		613		520
COMM CORR ACT		13,440	14,865	14,865	6,427	21,292	21,292	14,865	6,597	21,462	21,462
B COMMUNITY CORRECTIONS ACT	GEN				6,427		6,427		6,597		6,597
COMM CORR ALTERNATIVES		1,971	2,217	1,348	1,963	3,311	3,045	1,348	2,038	3,386	3,045
B WORK RELEASE PROGRAM EXPANSION	GEN				1,047		1,047		1,047		1,047
B STATEWIDE SENTENCING TO SERVICE	GEN				916		650		991		650
VICTIM SERVICES		4,775	4,958	4,478	1,649	6,127	5,081	4,471	2,317	6,788	5,074
B VICTIM SERVICES ADMINISTRATION	GEN				113		0		113		0
B CRIME VICTIM CENTER GRANTS	GEN				400		0		400		0
B SEXUAL ASSAULT GRANTS	GEN				667		238		1,193		238
B BATTERED WOMEN GRANTS/DEDICATED RECEIPTS	GEN				127		127		127		127
B BATTERED WOMEN GRANTS	GEN				342		<238>		484		<238>
B BATTERED WOMEN GRANTS	SREV				0		476		0		476
FACILITIES PLG & INSPECTION		362	401	443	0	443	443	446	0	446	446
COMMUNITY SERV SUPPT		3,938	4,132	4,123	301	4,424	4,147	4,123	317	4,440	4,147
B FOSTER GROUP CARE REIMBURSEMENT	GEN				<126>		<126>		<126>		<126>
B CONTRACT PROGRAMS	GEN				427		150		443		150
TOTAL EXPENDITURES		28,656	30,947	29,749	10,998	40,747	39,107	29,749	11,969	41,718	39,277
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL		23,138	25,146	25,277	10,998	36,275	34,159	25,281	11,969	37,250	34,333

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : COMMUNITY SERVICES

SOURCES OF FINANCING:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	

STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	3,889	4,205	3,208	0	3,208	3,684	3,208	0	3,208	3,684
FEDERAL	1,365	1,301	974	0	974	974	970	0	970	970
AGENCY	264	290	290	0	290	290	290	0	290	290
GIFTS AND DEPOSITS	0	5	0	0	0	0	0	0	0	0

TOTAL FINANCING	28,656	30,947	29,749	10,998	40,747	39,107	29,749	11,969	41,718	39,277

POSITIONS BY FUND:										
GENERAL	134.9	135.9	135.9	27.5	163.4	158.9	135.9	29.0	164.9	158.9
SPECIAL REVENUE	3.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL	0.0	1.5	1.5	0.0	1.5	1.5	1.5	0.0	1.5	1.5

TOTAL POSITIONS	137.9	142.4	137.4	27.5	164.9	160.4	137.4	29.0	166.4	160.4

ACTIVITY: PROBATION AND SUPERVISED RELEASE **1990-91 Biennial Budget**
Program: COMMUNITY SERVICES
Agency: CORRECTIONS, DEPARTMENT OF

REVENUE:

This activity generates non-dedicated revenue.

PURPOSE:

The probation, parole and supervised release activity of the community services program is comprised of 59 counties, with district offices in St. Cloud, Willmar, Detroit Lakes, Bemidji, Stillwater, Albert Lea and Shakopee. In those 59 counties, agents of the department supervise a monthly average of approximately 9,300 adult and juvenile offenders. Over 90% of these offenders are on court-ordered probation, with the remainder on parole or supervised release.

This activity also completes investigations and reports for the adult and juvenile courts and releasing authorities, monitors local correctional programs under the Community Corrections Act (CCA), and assists in the inspection and licensing of jails, detention facilities and group homes. Supervising staff are responsible for conducting revocation hearings and the imposition of sanctions against those found to be in violation of conditions of parole or supervised release. This activity is directed toward maintaining a success rate above 90% for offenders on probation, parole or supervised release and to ensure compliance with court-ordered or department-ordered special conditions of probation and supervised release. Supervisors also monitor and consult with CCA counties within their district.

Statutory Reference: M.S. Ch. 609.115, 609.135.

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
% of offenders returned because of violation	6.2	9.0	9.0	9.0
Restitution collected	\$ 700,000	\$ 700,000	\$ 720,000	\$ 725,000
Fines, court costs, etc., collected	\$ 666,000	\$ 670,000	\$ 680,000	\$ 700,000
Adult-District Court (59 counties):				
Total cases served	9,266	9,300	9,400	9,500
Average monthly caseload	5,611	5,900	6,200	6,400
Average monthly workload points	9,769	9,870	10,008	10,148
Presentence investigations completed:				
By agent	1,303	1,400	1,560	1,700
By contract	<u>1,274</u>	<u>1,324</u>	<u>1,376</u>	<u>1,431</u>
Total	2,577	2,724	2,936	3,131
Cost per presentence investigations	\$ 162	\$ 170	\$ 176	\$ 181
Cost of supervision per case per year	\$ 468	\$ 481	\$ 490	\$ 496
Juvenile County Court (16 counties):				
Average monthly caseload (juvenile)	638	663	689	716
Average monthly caseload (misdemeanor/gross misdemeanor case load)	714	728	746	776

(Dollars in Thousands)

	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>

Non-dedicated	\$ 454	\$ 500	\$ 540	\$ 580
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These receipts reflect county reimbursement for juvenile probation and parole services provided by the state to 16 contracting counties.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : COMMUNITY SERVICES
BUDGET ACTIVITY : PROB & SUPVD REL

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	3,476	3,670	3,783	483	4,266	4,215	3,783	528	4,311	4,218
EXPENSES/CONTRACTUAL SRVCS	311	345	350	66	416	416	354	70	424	424
MISC OPERATING EXPENSES	339	338	338	73	411	411	338	80	418	418
SUPPLIES/MATERIALS/PARTS	27	21	21	36	57	57	21	22	43	43
CAPITAL EQUIPMENT	17	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	4,170	4,374	4,492	658	5,150	5,099	4,496	700	5,196	5,103
CHANGE REQUESTS: FUND										
B COUNTY REQUESTED PROB SERVICES					87	87		87		87
B PROB & SUPVD REL-CLIENT/WKLD INCR					571	520		613		520
TOTAL CHANGE REQUESTS					658	607		700		607
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	4,170	4,374	4,492	658	5,150	5,099	4,496	700	5,196	5,103
TOTAL FINANCING	4,170	4,374	4,492	658	5,150	5,099	4,496	700	5,196	5,103
POSITIONS BY FUND:										
GENERAL	105.1	106.1	106.1	15.5	121.6	120.1	106.1	17.0	123.1	120.1
TOTAL POSITIONS	105.1	106.1	106.1	15.5	121.6	120.1	106.1	17.0	123.1	120.1

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: PROBATION AND SUPERVISED RELEASE
 PROGRAM: COMMUNITY SERVICES
 AGENCY: CORRECTIONS, DEPARTMENT OF

REQUEST TITLE: COUNTY REQUESTED PROBATION SERVICES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 87	2.0	\$ 87	2.0

Governor's Recommendation

General Fund	\$ 87	2.0	\$ 87	2.0
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Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

This request is being made pursuant to M.S. 260.311. Douglas County has requested probation services for its juvenile court and the Department of Corrections, per statute, shall furnish 2 agents and necessary expenses.

DESCRIPTION/BACKGROUND:

M.S. 260.311, Subd. 1, provides that a county may request the Commissioner of Corrections to furnish probation services to its county court. The Commissioner shall furnish these services and shall pay all salaries, fringe benefits and all necessary expenses incurred in the provision of these services. The county is to reimburse the state General Fund for all expenses incurred in the provision of services.

Douglas County has requested that the Commissioner of Corrections furnish these services, starting July, 1, 1989.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Adult - District Court				
Total cases served	9,266	9,300	9,550	9,660
Presentence investigations completed:				
By agent	1,303	1,400	1,635	1,780
By contract	<u>1,274</u>	<u>1,324</u>	<u>1,376</u>	<u>1,431</u>
Total	2,577	2,724	3,011	3,211

RATIONALE:

Per statute the Department of Corrections shall provide the requested probation services. There are no resources available within the department operating budget to fund this request. The General Fund will be reimbursed by the county for applicable expenses, thus resulting in no new direct cost to the state.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 4,170	\$ 4,374	\$ 4,492	\$ 4,496
General Fund Positions	105.1	106.1	106.1	106.1

LONG RANGE FUNDING IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 87	\$ 87	\$ 174
General Fund Positions	2.0	2.0	2.0

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. Costs of the request will be returned to the General Fund as non-dedicated receipts.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: PROBATION AND SUPERVISED RELEASE
 PROGRAM: COMMUNITY SERVICES
 AGENCY: CORRECTIONS, DEPARTMENT OF

REQUEST TITLE: CLIENT/WORKLOAD INCREASES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 571	13.5	\$ 613	15.0

Governor's Recommendation

General Fund	\$ 520	12.0	\$ 520	12.0
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Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

This request is being made to enable the Department of Corrections to conduct quality and timely investigative services for the state district courts and to supervise those persons on probation and supervised release at a level commensurate with public safety. The highest level of attention is given to those persons posing the greatest degree of risk to the public.

For F.Y. 1990 our request reflects the addition of 9.0 Corrections Agents and 4.5 Clerk-Steno positions to provide essential clerical service to field staff.

For F.Y. 1991 we are requesting 1.0 additional Agent and 0.5 Clerk-Steno to keep agent workloads in compliance with appropriate standards of supervision.

DESCRIPTION/BACKGROUND:

This activity is responsible for punishment, surveillance, supervision, and assistance to approximately 80% of all adult offenders convicted in non CCA counties (in CCA counties, the local county organization is responsible for approximately 80% of those cases).

M.S. 609.115 requires the Commissioner of Corrections to conduct presentence investigations for the district courts. M.S. 609.135 requires the Commissioner of Corrections to supervise offenders (felony and gross misdemeanors placed on probation by the court).

Because of increasing workloads the Department of Corrections has been able to supervise only approximately 91% of its clientele at a level considered appropriate to ensure surveillance and public protection. This request will permit adequate supervision to all offenders within our realm of responsibility during the biennium.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
% of offenders returned because of violation	6.2	9.0	9.0	9.0
Restitution collected	\$ 700,000	\$ 700,000	\$ 720,000	\$ 725,000
Fines, court costs, etc., collected	\$ 666,000	\$ 670,000	\$ 680,000	\$ 700,000

RATIONALE:

With the additional staff positions requested, adequate supervision would be provided to 100% of the offenders (currently 91%) at the prescribed level necessary to enhance desired protection for the public.

The case classification system affirms that offenders differ greatly in the degree of risk that they present and in the amount of time an agent must devote to supervise them properly. Recognizing this, using validated scales for measuring risk, and applying the results of several extensive time studies, various classification of cases have been assigned specific point values and a determination made that the workload an agent can effectively handle in a normal working month is 156 points.

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Average monthly workload points	9,769	9,870	10,008	10,148
Number of agents needed at 156 points	63	63	65	66
Number of agents	56	56	65	66
Average workload agent	175	176	156	156
Additional agents needed but not funded	7	7	-0-	-0-

(Dollars in Thousands)

BASE:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 4,170	\$ 4,374	\$ 4,492	\$ 4,496
General Fund Positions	105.1	106.1	106.1	106.1

(Dollars in Thousands)

LONG RANGE FUNDING IMPLICATIONS:	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 613	\$ 613	\$ 1,226
General Fund Positions	15.0	15.0	15.0

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for the following: a biennial reduction of \$144,000 and 3.0 positions.

ACTIVITY: COMMUNITY CORRECTIONS ACT
 Program: COMMUNITY SERVICES
 Agency: CORRECTIONS, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

The Community Corrections Act authorizes the Commissioner of Corrections to provide subsidy grants to counties so they may provide the following correctional services: crime prevention programs, diversion programs, probation and parole/supervised release services, community corrections centers, and facilities to detain, confine and treat offenders of all age groups.

Twenty-eight counties are currently under the Community Corrections Act. These counties represent approximately 60% of the state's population.

The grants are available to counties and groups of contiguous counties with a combined population of at least 30,000. Participating counties must establish a corrections advisory board composed of representatives from law enforcement, the judiciary, the prosecution, education, corrections, racial minorities, social welfare services, and the lay citizenry. Participating counties must develop an annual comprehensive plan which identifies correctional needs and defines programs designed to meet those needs. The comprehensive plan is presented to the boards of county commissioners for approval and is forwarded to the department for review and final approval by department staff and the commissioner.

Statutory reference: M.S. Ch. 401.01 - 401.16.

CRITERIA AND FORMULAS DETERMINING AMOUNT OF PAYMENT TO RECIPIENTS:

The subsidy formula is specified in M.S. 401.10. It includes factors that reflect both the correctional needs of the county and the county's financial resources available to meet those needs. Specifically, the formula operates in the following manner.

Step 1: For each participating county, 4 separate ratios are calculated:

- a) The county's per capita income is divided into the 87 county average;
- b) The county's per capita taxable value is divided into the 87 county average;
- c) The county's per capita expenditure for correctional purposes is divided by the 87 county average;
- d) The county's percent of county population aged 6 through 30 is divided by the 87 county average.

Step 2: For each county, the 4 ratios calculated in step 1 are summed and the result is divided by 4.

Step 3: For each county, the amount calculated in step 2 is multiplied by the total county population.

Step 4: Each participating county's share of the total appropriation for community corrections grants is the ratio of its step 3 score to the sum of the step 3 scores for all participating counties.

STATISTICS:	C.Y. 1988	C.Y. 1989	C.Y. 1990	C.Y. 1991
Number of participating counties	28	28	28	28
Population of participating counties (000s)	2,528	2,591	2,656	2,722
Total number served in participating counties at year end	138,282	145,196	152,456	160,079
Sources of revenue for services participating counties (000s):				
State subsidy eligibility	\$ 15,894	\$ 16,644	\$ 16,644	\$ 16,644
County funds	<u>50,519</u>	<u>50,519</u>	<u>50,519</u>	<u>50,519</u>
Total	\$ 66,413	\$ 67,163	\$ 67,163	\$ 67,163

REVENUE:

None

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : COMMUNITY SERVICES
BUDGET ACTIVITY : COMM CORR ACT

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
LOCAL ASSISTANCE	13,440	14,865	14,865	6,427	21,292	21,292	14,865	6,597	21,462	21,462
TOTAL EXPENDITURES	13,440	14,865	14,865	6,427	21,292	21,292	14,865	6,597	21,462	21,462
CHANGE REQUESTS:										
B COMMUNITY CORRECTIONS ACT				6,427		6,427		6,597		6,597
TOTAL CHANGE REQUESTS				6,427		6,427		6,597		6,597
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	13,440	14,865	14,865	6,427	21,292	21,292	14,865	6,597	21,462	21,462
TOTAL FINANCING	13,440	14,865	14,865	6,427	21,292	21,292	14,865	6,597	21,462	21,462
POSITIONS BY FUND:										
TOTAL POSITIONS										

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: COMMUNITY CORRECTIONS ACT
 PROGRAM: COMMUNITY SERVICES
 AGENCY: CORRECTIONS, DEPARTMENT OF

REQUEST TITLE: COMMUNITY CORRECTIONS ACT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$6,427	-0-	\$ 6,597	-0-
Governor's Recommendation				
General Fund	\$6,427	-0-	\$6,597	-0-

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. Ch. 401

STATEMENT OF REQUEST/OBJECTIVE: Two additional counties have expressed intent to participate in the Community Corrections Act (CCA). The department requests \$931 for the first year and \$1,059 for the second year of the biennium in order to include Dakota and Rice Counties in this subsidy program. Presently 28 counties participate in the act and these counties represent approximately 60% of the state's population.

This agency requests an additional \$5,496 for the first year and \$5,538 for the second year of the biennium. This will provide added resources for the counties to maintain current services and expand and introduce intensive supervision, electronic monitoring, house arrest, and other innovative programs to deal with increased correctional demands in the counties. This request will also increase the state percentage share in the state/county partnership to near the 1981 level. The state share has not kept up with significant spending increases by the counties.

With the request for an increase in funding, the state wishes to reinstitute the chargeback policy for adult offenders. Such chargebacks which have remained in effect for juveniles since the beginning of the act in 1973 were eliminated for felons by the legislature in 1982.

There has been a significant increase in the number of nonviolent property offenders serving sentences of 12 months or less at state correctional facilities. The reinstated chargeback policy will require a per diem for each probation violator which the counties send to state institutions who have 12 months or less to serve. Chargebacks would also be utilized for offenders received at state institutions directly from the courts as a result of an upward departure with a period of incarceration of one year or less. The objective is to increase the utilization of county resources for these less serious offenders reserving expensive state institution beds for more serious offenders. It is projected that up to 91 adult beds could be made available as a result of this policy.

DESCRIPTION/BACKGROUND: The CCA allows the Commissioner of Corrections to provide subsidy grants to counties so that they may provide a comprehensive

array of correctional services to enhance public safety within their respective communities. Some of these services include: crime prevention and diversion programs; programs which control and supervise offenders such as probation, supervised release and community corrections centers. Participating counties plan and administer a wide variety of correctional programs to deal with offenders under their jurisdictions. Most have found that since entering the act they have identified new and innovative programs in order to provide better surveillance, supervision, and other programs aimed at improving public safety.

STATISTICS:	C.Y. 1988	C.Y. 1989	C.Y. 1990	F.Y. 1991
Number of participating counties	28	28	30	30
Population of participating counties (000's)	2,528	2,591	2,944	3,003
Total number of clients served in participating counties at year end	138,282	145,196	167,645	176,027

RATIONALE: Increasing correctional workloads have caused concern not only among the local agencies whose mission it is to deal with these offenders but also in the general public in Minnesota. The purpose of the funding increase is to provide greatly needed resources to deal on a daily basis with these offenders. The primary objective of such resources is to provide supervision and surveillance to offenders who are retained in the local communities. Also of importance is the provision of programming which will help prevent these individuals from reoffending thereby improving public safety.

The requested increase will permit the state to return to near the 1981 percentage of state/county funding of the act. This will increase state support at a time when it is desperately needed by local agencies to deal with a growing number of offenders.

Percentage Share - Corrections Expenditures

	State	Counties
C.Y. 1981	35.5%	64.5%
C.Y. 1982	27.8%	72.2%
C.Y. 1988 (est.)	23.9%	76.1%
C.Y. 1990 (est.)	33.0%	67.0%

Part of this funding request is to allow 2 additional counties to participate in the Act.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 13,440	\$ 14,865	\$ 14,865	\$ 14,865

LONG RANGE FUNDING IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 6,597	\$ 6,597	\$13,194

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

ACTIVITY: COMMUNITY CORRECTIONAL ALTERNATIVES 1990-91 Biennial Budget
 Program: COMMUNITY SERVICES
 Agency: CORRECTIONS, DEPARTMENT OF

PURPOSE:

The community correctional alternatives unit funds services in 3 categories, all of which attempt to control the criminal behaviors of offenders in the community and to foster the development of skills needed to live a law-abiding life.

1. The work release unit provides, by contract, services for offenders being released from state institutions. These services include intensive supervision, structured living, the reintegration of offenders entering community life by providing them with practical work experience, educational and vocational assistance and chemical dependency/alcohol treatment.
2. Anishinabe Longhouse provides American Indian offenders with all of the services listed above as well as cultural experiences unique to the American Indian.
3. Sentencing to Service diverts non-dangerous offenders to community service in lieu of jail or a fine. This project was developed cooperatively by the Minnesota Department of Corrections (DOC) and the Minnesota Department of Natural Resources (DNR) and is designed to serve the needs of both the DNR and the criminal justice system by sentencing non-dangerous offenders to community services in Minnesota's state parks and other public lands.

STATISTICS: F.Y. 1988 F.Y. 1989 F.Y. 1990 F.Y. 1991

Work Release:

Number of residents served				
General Fund	204	221	221	221
Dedicated	100	90	-0-	-0-
Total	304	311	221	221

Number of resident days				
General Fund	16,844	18,280	18,280	18,280
Dedicated	8,296	7,467	-0-	-0-
Total	25,140	25,747	18,280	18,280

Average daily population				
General Fund	46	50	50	50
Dedicated	23	30	-0-	-0-
Total	69	80	50	50

Average cost per resident days	\$ 33.77	\$ 35.46	\$ 38.65	\$ 38.65
% of successful completion	72	75	75	75
% participating without a felony	98.6	99	99	99

Anishinabe Longhouse:

Number of residents served	62	67	85	85
Number of resident days	2,798	4,654	6,515	6,515
Average cost per resident day	\$ 130.08	\$ 78.21	\$ 55.87	\$ 55.87
% of successful completion	31	40	45	45
% participating without a felony	99	99	99	99

STATISTICS (Continued): F.Y. 1988 F.Y. 1989 F.Y. 1990 F.Y. 1991

Sentencing to Service:

Work crews in the field	3	9	-0-	-0-
Number of offenders served	615	1,220	-0-	-0-
Value of service performed at \$5.00/hr.	\$ 371,000	\$ 893,000	-0-	-0-
Number of offenders participating each day	75	120	-0-	-0-
Estimated ratio of dollars spent to service received at \$5.00/hr.	1:1.5	1:2	-0-	-0-
Hours of service performed	74,220	178,600	-0-	-0-

REVENUE:

None

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : COMMUNITY SERVICES
BUDGET ACTIVITY : COMM CORR ALTERNATIVES

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	516	649	459	230	689	689	459	230	689	689
EXPENSES/CONTRACTUAL SRVCS	888	1,012	503	1,667	2,170	1,904	503	1,742	2,245	1,904
MISC OPERATING EXPENSES	309	363	347	61	408	408	347	61	408	408
SUPPLIES/MATERIALS/PARTS	29	22	35	5	40	40	35	5	40	40
CAPITAL EQUIPMENT	1	4	4	0	4	4	4	0	4	4
NON-EXPENSE DISBURSEMENTS	2	0	0	0	0	0	0	0	0	0
REDISTRIBUTIONS	2	1	0	0	0	0	0	0	0	0
STATE OPERATIONS	1,747	2,051	1,348	1,963	3,311	3,045	1,348	2,038	3,386	3,045
LOCAL ASSISTANCE	224	166	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	1,971	2,217	1,348	1,963	3,311	3,045	1,348	2,038	3,386	3,045
CHANGE REQUESTS:	FUND									
B WORK RELEASE PROGRAM EXPANSION				1,047		1,047		1,047		1,047
B STATEWIDE SENTENCING TO SERVICE				916		650		991		650
TOTAL CHANGE REQUESTS				1,963		1,697		2,038		1,697
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	912	1,010	1,034	1,963	2,997	2,731	1,034	2,038	3,072	2,731
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	597	751	24	0	24	24	24	0	24	24
FEDERAL	198	166	0	0	0	0	0	0	0	0
AGENCY	264	290	290	0	290	290	290	0	290	290
TOTAL FINANCING	1,971	2,217	1,348	1,963	3,311	3,045	1,348	2,038	3,386	3,045
POSITIONS BY FUND:										
GENERAL	12.0	12.0	12.0	8.0	20.0	20.0	12.0	8.0	20.0	20.0

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : COMMUNITY SERVICES
BUDGET ACTIVITY : COMM CORR ALTERNATIVES

POSITIONS BY FUND:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
SPECIAL REVENUE	3.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL POSITIONS	15.0	17.0	12.0	8.0	20.0	20.0	12.0	8.0	20.0	20.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: COMMUNITY CORRECTIONAL ALTERNATIVES
 PROGRAM: COMMUNITY SERVICES
 AGENCY: CORRECTIONS, DEPARTMENT OF

REQUEST TITLE: WORK RELEASE PROGRAM EXPANSION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$1,047	3.0	\$1,047	3.0
Governor's Recommendation				
General Fund	\$1,047	3.0	\$1,047	3.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The Department of Corrections requests funding to expand the number of persons placed on work release. These funds will be used to purchase additional service from vendors and replace dedicated receipts previously allocated for beds by the department. Appropriations will also be used to employ a clerical staff person and to replace dedicated receipts which the department has previously committed for 2.0 professional staff required to deal with the current and anticipated population growth.

DESCRIPTION/BACKGROUND:

This is a program designed to provide structured living and very close supervision/surveillance for newly released offenders. Inmates are eligible for work release placement in their last 6 months of incarceration. Costs per bed day are lower than at the department's institutions. This is a cost effective alternative for selected offenders.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Number of residents served:				
General Fund	204	221	530	530
Dedicated Receipts	100	90	-0-	-0-
Total	304	311	530	530
Number of resident days:				
General Fund	16,844	18,280	43,800	43,800
Dedicated Receipts	8,296	7,467	-0-	-0-
Total	25,140	25,747	43,800	43,800
Average daily population:				
General Fund	46	50	120	120
Dedicated Receipts	23	30	-0-	-0-
Total	69	80	120	120
Average cost per resident day	\$ 33.77	\$ 35.46	\$ 38.65	\$ 38.65

RATIONALE:

The Department of Corrections' institution populations have been increasing over the past several years. The department must plan to make use of community based work release to the fullest extent possible consistent with public safety.

BASE:	(Dollars in Thousands)			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General Fund	\$ 554	\$ 646	\$ 647	\$ 647
Special Revenue	324	312	-0-	-0-
Total	\$ 878	\$ 958	\$ 647	\$ 647
General Fund Positions	3.0	3.0	3.0	3.0
Special Revenue Positions	2.0	2.0	-0-	-0-
Total	5.0	5.0	3.0	3.0

LONG RANGE FUNDING IMPLICATIONS:	(Dollars in Thousands)		
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Total</u>
General Fund	\$ 1,047	\$ 1,047	\$2,094
General Fund Positions	3.0	3.0	3.0

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: COMMUNITY CORRECTIONAL ALTERNATIVES
 PROGRAM: COMMUNITY SERVICES
 AGENCY: CORRECTIONS, DEPARTMENT OF

REQUEST TITLE: STATEWIDE SENTENCING TO SERVICE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 916	5.0	\$ 991	5.0
Governor's Recommendation				
General Fund	\$ 650	5.0	\$ 650	5.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests these funds to put in place community service programs which can assist in reducing the overcrowding in jails in the state as well as improving the environment and beautification of the state. Funds will be used to continue, at the same level, the demonstration projects which were initially started with foundation money and later funded with dedicated receipts. In addition, funds will be used to expand into other areas of the state. State funds will be used to encourage local match.

DESCRIPTION/BACKGROUND:

Sentencing to Service (STS) has been a demonstration project jointly developed by the Minnesota Department of Corrections and the Minnesota Department of Natural Resources (DNR). In the face of the increasing population of offenders, additional community-based programming is required. This programming can have a desirable effect in reducing jail crowding. The problem of jail crowding has increased since the beginning of the STS project by the imposition of more severe sanctions for DWI offenders. In light of this, STS is even more important.

Management of Minnesota's natural resources and environment, while a responsibility of all citizens, is a specific mandate of the DNR. Because of the extent of public lands, there is an almost endless need for a work program that DNR staff can never implement. The STS program will provide some assistance in dealing with these needs while not displacing DNR staff. STS programming will also be made increasingly available to local units of government and local agencies.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Programs	3	5	10	12
Work crews in field	3	9	30	34
No. of offenders participating each day	75	120	300	350

STATISTICS (Continued): F.Y. 1988 F.Y. 1989 F.Y. 1990 F.Y. 1991

Ratio of dollars spent to service received at \$5.00/hour	1:1.5	1:2	1:3	1:5
Anticipated local match of funds	\$ 7,000	\$ 19,300	\$ 375,000	\$ 450,000

RATIONALE:

The population in Minnesota jails is growing and threatening to surpass capacity in many areas. Building new jails is expensive. Even if adequate space were available, incarcerating offenders is expensive and many offenders in jail today are non-violent.

Offenders selected are doing short sentences and perceived as non-dangerous. Most would be idle. This provides useful activity for these offenders, reduces populations and provides needed services to the community.

City and county governments struggle as well with more needs than resources. Putting non-dangerous offenders to work on these projects results in tasks being done that otherwise would not be done and saves or reduces the taxpayer dollars that it takes to incarcerate offenders.

Adult courts in Minnesota have the discretion to use sanctions other than jails for non-violent and non-dangerous offenders. Various forms of restitution, including community service have gained favor in the last decade as desirable sanctions, often preferred by the courts as an alternative to jail or fines. The lack of work sites and the lack of organized planning have prevented expansion of this sentencing sanction. Sentencing to Service will reduce jail populations, meet project needs of the DNR and local agencies and provide additional sentencing options to the court for sentencing non-violent and non-dangerous offenders.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Special Revenue	237	415	-0-	-0-
Total	\$ 237	\$ 415	\$ -0-	\$ -0-
Special Revenue Positions	1.0	3.0	-0-	-0-

LONG RANGE FUNDING IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 991	\$ 991	\$ 1,982
General Fund Positions	5.0	5.0	5.0

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for the following: a biennial reduction of \$607,000 to slow down the rate of project expansion in consideration of competing demands on correctional resources.

ACTIVITY: VICTIM SERVICES
 Program: COMMUNITY SERVICES
 Agency: CORRECTIONS, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

The victim services activity administers grants of state and federal funds for statewide services for crime victims.

Crime Victim Centers: (Statutory Reference: M.S. 611A.41 to 611A.44) Provides funds to 3 community organizations for the operation of crime victim centers which provide crisis intervention counseling, advocacy for victims in the court process, emergency referral to appropriate community services, information services, neighborhood organization activities, and liaison with law enforcement, prosecution and court systems.

Sexual Assault Services: (Statutory Reference: M.S. 611A.21 to 611A.23) The Sexual Assault Program coordinates a statewide network to address the issue of sexual assault. The program administers a grant program for and provides technical assistance to community based sexual assault centers. These local programs provide direct services to victims, including crisis intervention, advocacy and support services; training of professionals who interact with sexual assault victims; public education on topics related to sexual assault; prevention education for children and adults and coordinate interagency communication on a local level. The state program also provides specialized training and public education, develops and disseminates resource materials, acts as a statewide clearinghouse on programs, materials, services, data and resources and coordinates with and acts as a resource to other statewide agencies and organizations for and about victims of sexual assault in order to increase the availability of sensitive, competent assistance to victims, increase public awareness and acquaint the public with available services.

Battered Women Services: (Statutory Reference: M.S. 611A.31 to 611A.36) The battered women's program administers a grant support program using both federal and state funds to provide emergency shelter and support services to battered women and their children. Forty-six community nonprofit organizations support 61 distinct programs and projects with the dollars granted through the program. Services provided by grantees include emergency housing through shelters and/or safehomes, support and advocacy to both battered women and to their children, community intervention with criminal justice systems, public education, training for staff and community professionals, statewide coordination for programs, and violent partner treatment programs. Separate projects are funded to address the needs of and to assure access by Hispanic, Asian, Black, Native American, physically disabled and older women. The state program also provides technical assistance, training, and program evaluations to its current and future grantees. In addition, the program collects and disseminates data on services provided by its grantees, demographic and profile information of both victims and offenders, and mandatory reports on domestic incidents from all Minnesota law enforcement officers.

Other Victim Services: Federal funds from the Victims of Crime Act and from the Justice Assistance Act enable the Department of Corrections to make grants to local units of government or nonprofit organizations to provide services to victims of child abuse, victim witness assistance programs, general crime victims and the ombudsman for victims of crime.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
<u>Crime Victim Centers:</u>				
Victims served	2,361	2,408	2,456	2,505
Calls received requesting service	13,312	13,578	13,850	14,127
Grants by fund: (000s)				
General Fund	\$ 172	\$ 176	\$ 174	\$ 174
<u>Sexual Assault Services:</u>				
Local programs funded	34	34	34	34
Victims served	5,766	5,770	5,770	5,770
Professionals trained	13,658	13,700	13,700	13,700
Community education participants	87,096	87,100	87,100	87,100
Grants by fund: (000s)				
General Fund	\$ 468	\$ 481	\$ 481	\$ 481
Federal	183	212	195	195
Total	\$ 651	\$ 693	\$ 676	\$ 676
<u>Battered Women Services:</u>				
Women sheltered	4,500	4,600	4,500	4,500
Children sheltered	4,650	4,700	4,650	4,650
Women received advocacy and support services	18,500	19,250	17,000	17,000
Women received legal advocacy	8,400	8,650	8,100	8,100
Children received advocacy and support services	4,570	4,660	4,200	4,200
Community education participants	55,000	56,000	53,000	53,000
Professional training participants	4,300	4,600	4,000	4,000
Victims in intervention programs	2,200	2,540	2,400	2,400
Participants in violent partner programs	1,100	1,300	1,000	1,000
Participants in statewide networking meetings	1,000	1,100	800	800
Police reports submitted	4,500	5,000	5,200	5,300
Programs funded	61	63	60	60
Grants by fund: (000s)				
General Fund	\$ 1,919	\$ 1,903	\$ 1,868	\$ 1,868
Special Revenue	654	850	630	630
Federal	263	275	266	260
Total	\$ 2,836	\$ 3,028	\$ 2,764	\$ 2,758
<u>Other Victim Services:</u>				
Federal Victim of Crime Act				
Number of grants	16	14	16	16
Dollar amount (000s)	\$ 416	\$ 329	\$ 328	\$ 328
Federal Justice Assistance Act				
Number of grants	22	16	-0-	-0-
Dollar amount (000s)	\$ 202	\$ 160	\$ -0-	\$ -0-
Aid to Victims of Crime	\$ 132	\$ 132	\$ 132	\$ 132

REVENUE:

None

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : COMMUNITY SERVICES
BUDGET ACTIVITY : VICTIM SERVICES

EXPENDITURES:	F.Y. 1990						F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
DETAIL BY CATEGORY:											
STATE OPERATIONS:											
PERSONAL SERVICES	300	325	332	87	419	332	332	87	419	332	
EXPENSES/CONTRACTUAL SRVCS	47	98	50	16	66	50	50	16	66	50	
MISC OPERATING EXPENSES	8	13	12	6	18	12	12	6	18	12	
SUPPLIES/MATERIALS/PARTS	9	3	3	4	7	3	3	4	7	3	
CAPITAL EQUIPMENT	1	0	0	0	0	0	0	0	0	0	
REDISTRIBUTIONS	0	1	7	0	7	7	6	0	6	6	
STATE OPERATIONS	365	440	404	113	517	404	403	113	516	403	
LOCAL ASSISTANCE	4,410	4,518	4,074	1,536	5,610	4,677	4,068	2,204	6,272	4,671	
TOTAL EXPENDITURES	4,775	4,958	4,478	1,649	6,127	5,081	4,471	2,317	6,788	5,074	
CHANGE REQUESTS: FUND											
B VICTIM SERVICES ADMINISTRATION				113		0		113		0	
B CRIME VICTIM CENTER GRANTS				400		0		400		0	
B SEXUAL ASSAULT GRANTS				667		238		1,193		238	
B BATTERED WOMEN GRANTS/DEDICATED RECEIPTS				127		127		127		127	
B BATTERED WOMEN GRANTS				342		<238>		484		<238>	
B BATTERED WOMEN GRANTS				0		476		0		476	
TOTAL CHANGE REQUESTS				1,649		603		2,317		603	
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	2,896	2,963	2,892	1,649	4,541	3,019	2,892	2,317	5,209	3,019	
STATUTORY APPROPRIATIONS:											
SPECIAL REVENUE	803	1,004	784	0	784	1,260	784	0	784	1,260	
FEDERAL	1,076	986	802	0	802	802	795	0	795	795	
GIFTS AND DEPOSITS	0	5	0	0	0	0	0	0	0	0	
TOTAL FINANCING	4,775	4,958	4,478	1,649	6,127	5,081	4,471	2,317	6,788	5,074	

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : COMMUNITY SERVICES
BUDGET ACTIVITY : VICTIM SERVICES

SOURCES OF FINANCING:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991				
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
POSITIONS BY FUND:											
GENERAL	8.0	9.0	9.0	3.0	12.0	9.0	9.0	3.0	12.0	9.0	
TOTAL POSITIONS	8.0	9.0	9.0	3.0	12.0	9.0	9.0	3.0	12.0	9.0	

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: VICTIM SERVICES
 PROGRAM: COMMUNITY SERVICES
 AGENCY: CORRECTIONS

REQUEST TITLE: VICTIM SERVICES ADMINISTRATION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 113	3.0	\$ 113	3.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

This request is for 3.0 positions and other necessary funds for operation. A Community Services Program Specialist III is requested to provide oversight, administration and technical assistance to the grantees of federal funds. Two clerical positions are requested as follows: a Clerk Typist IV to provide clerical services to the Director of Victim Service programming and the Community Services Program Specialist III requested above. In addition, a Clerk Typist II position is necessary to provide data entry and basic clerical services for all Victim Service programming.

DESCRIPTION/BACKGROUND:

As a result of federal legislation known as the Victims of Crime Act of 1984, Minnesota became eligible for monies which, in the 1st year, amounted to \$726,000 to be used to expand and enhance services to victims of crime. The department was designated as the agency in Minnesota to receive and disburse these funds. Since the legislation specifically forbids use of any of the funds for administrative costs on the part of the state agency, the department, with no additional staff or funds, bore the burden of this activity. Our experience indicates that we must have 1.0 professional level position and clerical support to responsibly carry out the granting and oversight responsibilities required.

An advisory committee appointed by the Commissioner in 1986 reviewed the department's activities in victim services. That committee strongly recommended and the Commissioner accepted the recommendation that a Director of Victim Services be appointed to give leadership to the department's victim services activities and to develop needed expansion in the area of the general crime victim.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Total dollars granted (000's)	\$ 618	\$ 489	\$ 328	\$ 328

Number of grants 38 30 16 16
RATIONALE:

The Department of Corrections has, for more than 10 years, exercised a leadership role in providing services to victims of crime in Minnesota. In order to continue that activity and responsibly carry out the granting and oversight responsibilities of the federal funds, it is necessary to increase the staffing level. Necessary grant monitoring, program oversight and technical assistance have not been accomplished.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ -0-	\$ 47	\$ 53	\$ 53
General Fund Positions	-0-	1.0	1.0	1.0

LONG RANGE FUNDING IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 113	\$ 113	\$ 226
General Fund Positions	3.0	3.0	3.0

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: VICTIM SERVICES
 PROGRAM: COMMUNITY SERVICES
 AGENCY: CORRECTIONS, DEPARTMENT OF

REQUEST TITLE: CRIME VICTIM CENTER GRANTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 400	-0-	\$ 400	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests additional funding for the existing crime victim centers. At the present time there are centers in Minneapolis/St. Paul, Mower County (Austin), and Freeborn County (Albert Lea). It should also be noted that there is a new victims center in the Arrowhead Region of the state. It is totally supported by federal funds. This increased funding is requested to help maintain service levels in the face of increasing service needs. The Commissioner of Corrections' Victim Services Planning Advisory Committee has strongly recommended that services to the general victims be greatly expanded. The department plans to develop 1 new crime victim center in the state, and to develop new victim/witness programs designed to aid both the victim and the court system. The remaining additional funds would be used to provide new services for: the elderly, handicapped, and vulnerable adults; also for racial minority groups and single parent (head of household) victims.

DESCRIPTION/BACKGROUND:

The centers are serving increased numbers of victims as the victim is receiving more attention from the court system and law enforcement officials. Advocacy groups are becoming stronger and more victims are aware of their rights and opportunities. These centers have become more accepted and there is an increased demand for their services.

The centers provide crisis intervention, counseling, advocacy for victims in the court process, emergency referral to appropriate community services, information services, neighborhood organizing activities, and liaison with the law enforcement, prosecution and court systems.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Victims served	2,361	2,408	2,677	2,891
Calls received requesting service	13,312	13,578	15,384	16,922

RATIONALE:

Minnesota has long been cited as a leading state in provision of programming for victims. However, the needs of victims have been increasingly recognized and requests for service increasing.

The department is requesting additional funds which will enable the crime victim centers to provide more services to victims of nonviolent crime and also to help develop new services for: the elderly, handicapped, and vulnerable adults, the single parent (head of household), racial minority groups and to encourage new victim-witness programs in out-state Minnesota.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 172	\$ 176	\$ 174	\$ 174

LONG RANGE FUNDING IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 400	\$ 400	\$ 800

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: VICTIM SERVICES
 PROGRAM: COMMUNITY SERVICES
 AGENCY: CORRECTIONS, DEPARTMENT OF

REQUEST TITLE: SEXUAL ASSAULT GRANTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 667	-0-	\$1,193	-0-
Governor's Recommendation				
General Fund	\$ 238	-0-	\$ 238	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

Increase funding for basic sexual assault services so that currently served areas receive an average of \$22,000 in state grants per county (\$350,000/first year and \$700,000/second year).

Fund 4 currently unserved counties per year for sexual assault services at an average of \$22,000 per county (\$88,000/first year and \$176,000/second year).

Increase funding specifically designated for sexual assault services to ethnic minorities to serve the Black, Hispanic, Asian/Pacific, and Native American communities (\$110,000/each year).

Fund 3 pilot projects, each to provide sexual assault services to 1 of the following groups: blind and deaf victims, male victims, women who are incarcerated or on probation who are victims (\$88,000/second year).

Increase funding to provide training, equipment, materials, and services to assist the Minnesota Program for Victims of Sexual Assault (MPVSA) grantees in serving the diverse populations in Minnesota (\$44,000/each year).

Fund statewide peer networking for sexual assault service providers (\$75,000/each year).

DESCRIPTION/BACKGROUND:

The program is committed to serving all segments of the diverse citizenry of the state. It currently funds 24 community based sexual assault programs around the state. These programs provide services in 65 counties; however, in many counties these services are minimal, due to lack of resources. For these areas of service, current state funding averages \$7,500 per county. Funds specifically allocated to serve the Black, Hispanic, Asian/Pacific, and Native American communities are similarly inadequate. There are 22 counties that have no sexual assault services. Ten percent of Minnesotans are physi-

cally disabled and yet there are almost no sexual assault services for this diverse group. There are also very limited services for male victims, even though 1 out of every 7 boys are sexually assaulted before the age of 18.

RATIONALE:

Every sexual assault victim in Minnesota deserves equal access to services. Each area of the state and each special population need education on sexual assault issues and coordination of sexual assault services. The current level of funding for all sexual assault services is very inadequate to meet the needs of the citizens of the state. The plan outlined here would help to create equity in sexual assault services in the state. To provide adequate development time, some of the new services will not begin until the second year of the biennium.

The minimal level of acceptable funding for geographic areas is an average of \$22,000 per county. This barely pays for a crisis line, an office, and 2 staff members and it is \$2,500 less than the \$24,500 that it costs the state to incarcerate the average sex offender for 1 year.

The program is seeking to strike a balance in services to special populations (in this proposal, ethnic minorities, people who are blind and/or deaf, men, and women who are incarcerated or on probation). It is important that some services be available to each of these groups that are provided by members of those groups. It is equally important that all sexual assault centers be prepared to deal with all of the diversity in their communities. To achieve this 2-pronged goal requires many different types of resources, all of which require funding.

There is a pressing need for a statewide staffed organization of sexual assault service providers, similar to the Minnesota Coalition for Battered Women, which is partially funded by a grant from the state battered women's program. This would supply a peer network that a state agency cannot provide and would result in greatly improved services to victims and to local communities.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 468	\$ 481	\$ 481	\$ 481
Federal	183	212	195	195
Total	\$ 651	\$ 693	\$ 676	\$ 676

LONG RANGE FUNDING IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 1,193	\$ 1,193	\$ 2,386

GOVERNOR'S RECOMMENDATION:

The Governor recommends an increase of \$476,000 for the biennium to supplement allocations to currently served areas and to expand services to areas of the state that are currently unserved.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: VICTIM SERVICES
 PROGRAM: COMMUNITY SERVICES
 AGENCY: CORRECTIONS, DEPARTMENT OF

REQUEST TITLE: BATTERED WOMEN GRANTS/DEDICATED RECEIPTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 127	-0-	\$ 127	-0-
Governor's Recommendation				
General Fund	\$ 127	-0-	\$ 127	-0-
Request requires statutory change: _____ Yes <u> X </u> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

Legislation dedicating fees collected from Lincoln, Lyon and Faribault counties to the battered women's program expires at the end of the current biennium. The request of \$127,000 will replace these funds and allow for maintaining the current level of granting.

DESCRIPTION/BACKGROUND:

In lieu of the \$200,000 new dollars sought by the Minnesota Coalition for Battered Women for each year in the biennium, the legislature awarded revenue from a dedicated account related to fees collected from Lincoln, Lyon and Faribault counties. These counties reimburse the state for juvenile probation and parole services provided. This legislation expires at the end of the current biennium. The amount of dollars needed to maintain the current level of funding is approximately \$127,000 per year.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Women sheltered	4,500	4,600	4,600	4,700
Children sheltered	4,650	4,700	4,700	4,800
Women received advocacy and support service	18,500	19,250	19,250	19,400
Women received legal advocacy	8,400	8,650	8,650	8,700
Children received advocacy and support services	4,570	4,660	4,660	4,700
Community education participants	55,000	56,000	56,000	56,500
Professional training participants	4,300	4,600	4,600	4,600
Victims in intervention programs	2,200	2,540	2,540	2,540
Participants in violent partner programs	1,100	1,300	1,300	1,300
Participants in statewide networking meetings	1,000	1,100	1,100	1,100
Police reports submitted	4,500	5,000	5,200	5,300
Programs funded	61	63	63	63

(Dollars in Thousands)

STATISTICS (Continued):	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Grants by funds:				
General Fund	\$ 1,919	\$ 1,903	\$ 1,995	\$ 1,995
Special Revenue	654	850	630	630
Federal	263	275	266	260
Total	\$ 2,836	\$ 3,028	\$ 2,891	\$ 2,885

RATIONALE:

As stated in the background section, the legislation providing \$127,000 of annual dedicated revenue will expire at the end of the current fiscal year. A General Fund allocation must be made to replace the funds in order to keep granting at its current level. This CHANGE request will represent no increased cost to the state since the receipts from Lincoln, Lyon and Faribault counties will be deposited in the General Fund.

(Dollars in Thousands)

BASE:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Special Revenue	127	127	-0-	-0-
Total	\$ 127	\$ 127	\$ -0-	\$ -0-

(Dollars in Thousands)

LONG RANGE FUNDING IMPLICATIONS:	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 127	\$ 127	\$ 254

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. There is no net cost to the General Fund for this request, as the previously diverted receipts will now be returned as non-dedicated revenues.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: VICTIM SERVICES
 PROGRAM: COMMUNITY SERVICES
 AGENCY: CORRECTIONS, DEPARTMENT OF

REQUEST TITLE: BATTERED WOMEN GRANTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 342	-0-	\$ 484	-0-
Governor's Recommendation				
General Fund	\$(238)	-0-	\$(238)	-0-
Special Revenue Fund	476	-0-	476	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE: Increase grant funds for special projects assuming a range of \$30,000 to \$50,000 per project, and 5 to 7 two-year projects, for an increased allocation of \$200,000 in each year of the biennium, for a total of \$400,000.

Provide basic services in counties where no or less than minimal services exist. Provide new or increased funding to 6 programs per year assuming a basic level of \$23,700 for increased allocation of \$142,000 in the first year of the biennium and \$284,000 in the second year for a total of \$426,000.

DESCRIPTION/BACKGROUND: Based on 1986 use data, and 1987-88 funding allocations, 69 counties receive less than the minimal level of funding with 6 of those counties receiving no state funding and 51 receiving some funding, but less than \$10,000. A joint planning process between the Minnesota Coalition for Battered Women and the Department of Corrections Battered Women Program over the last several months has resulted in a definition of minimal basic services and a minimal budget level to provide those services (\$23,700). The basic service definition includes access to a 24-hour toll free crisis line answered by an advocate educated specifically to the needs of battered women, access and transportation to safe housing for battered women and their children, access to emergency child care while the family is in crisis, knowledge about the availability of additional support services, and appropriate criminal justice system response.

The long-term goal is to assure this minimum level of services and funding in each county by the year 2000 by adding or upgrading 6 programs per year.

The battered women's program has been a leader nationwide in identifying the needs of battered women outreaching to communities of women of color, and identifying program models to meet the special needs of older, physically handicapped, and women involved in the criminal justice system. Evidence indicates that violence against women is increasing while other crime is decreasing. We must continue to provide a leadership role in developing program models to meet the needs of historically underserved women and to crea-

tively address the societal trend of increased violence. Specific topics to be addressed include women with mental health and chemical abuse problems, pre-sentence diversion for offenders and pornography's relationship to battering.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number of battered women shelters	17	17	17	17
Battered women programs	61	63	69	75
Special needs project	1	2	5	5
Women sheltered	4,500	4,600	5,060	5,150
Children sheltered	4,650	4,700	5,170	5,400
Women received advocacy and support services	18,500	19,250	21,175	23,275
Women received legal advocacy support services	8,400	8,650	9,515	9,800
Children received advocacy and support services	4,570	4,660	5,126	5,900
Community education participants	55,000	56,000	61,600	67,000
Professional training participants	4,300	4,600	5,060	5,200
Victims in intervention programs	2,200	2,540	2,850	3,300
Participants in violent partner programs	1,100	1,300	1,500	1,800
Participants in statewide networking meetings	1,000	1,100	1,500	1,800
Police reports submitted	4,500	5,000	5,800	6,500
Programs funded	61	63	71	78

Grants by fund:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General	\$ 1,919	\$ 1,903	\$ 2,210	\$ 2,352
Special Revenue	654	850	630	630
Federal	263	275	266	260
Total	\$ 2,836	\$ 3,028	\$ 3,106	\$ 3,242

RATIONALE: As noted in the background section, the battered women program is making a long-term commitment to assure minimal level of emergency services and funding for battered women and their children in each county in Minnesota by the year 2000. The requested allocation increase will provide for adding or upgrading 6 programs per year based on the formula detailed in the background section.

Special project dollars are requested in order to identify and anticipate the merging needs of battered women and the societal trends that appear to be impacting on women resulting in increased violence against women and children. The request assumes a range of \$30,000 to \$50,000 per project and 5 to 7 two-year projects. Of particular concern for the future are the needs of battered women with mental health and chemical abuse problems, older and physically limited battered women and violent behavior of battered women or their children. The relationship of pornography or prior victimization to battering, effective legal system responses and compliance with the Domestic Abuse Act, effectiveness of pre-sentence diversion or residential programs for violent partners, and evaluation of existing programs and their effectiveness are all areas requiring investigation. Without a commitment to these special projects, we cannot plan effectively for future needs of battered women and their children.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget
 (Continuation)

ACTIVITY: VICTIM SERVICES
 PROGRAM: COMMUNITY SERVICES
 AGENCY: CORRECTIONS, DEPARTMENT OF

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 1,919	\$ 1,903	\$ 1,868	\$ 1,868
Special Revenue	654	850	630	630
Federal	263	275	266	260
Total	\$ 2,836	\$ 3,028	\$ 2,764	\$ 2,758

LONG RANGE FUNDING IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 484	\$ 484	\$ 968

GOVERNOR'S RECOMMENDATION:

The Governor recommends a General Fund BASE reduction of \$476,000 for the biennium, to be reallocated to the Sexual Assault program and an increase of \$952,000 for the biennium from the Special Revenue Fund. The Governor further recommends that the Special Revenue Fund increase be paid for by an increase of \$20 each in the statutory marriage license and marriage dissolution fees, to be split equally between the Battered Women's program in the Department of Corrections and the Displaced Homemakers program in the Department of Jobs and Training.

ACTIVITY: FACILITIES PLANNING AND INSPECTION 1990-91 Biennial Budget
 Program: COMMUNITY SERVICES
 Agency: CORRECTIONS, DEPARTMENT OF

PURPOSE:

This activity inspects and licenses secure and non-secure correctional facilities on a statewide basis. Facilities under the inspection and licensing responsibility of this unit include: jails, lockups, holding facilities, adult correctional facilities including workhouses/work farms, correctional group foster homes, adult halfway houses, secure juvenile detention facilities and juvenile residential facilities such as county home schools. This activity also provides training and technical assistance to the staff overseeing secure correctional facilities; develops and enforces standards for correctional facilities in accordance with legislative directives and the administrative rule making process; maintains and analyzes statistical data on approximately 75,000 - 85,000 admissions annually in local secure correctional facilities, and acts as statewide clearinghouse in accordance with statutory requirements for the review and approval of remodeling, renovation or new construction relating to secure county correctional facilities.

All of the above responsibilities are designed to ensure that conditions of confinement and security of persons detained or incarcerated in local facilities meet basic safety, health and constitutional standards while ensuring protection of the public.

Statutory reference: M.S. Ch. 241.021.

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Inspections completed on annual basis	170	170	170	175
Average cost per inspection	\$ 368	\$ 450	\$ 513	\$ 495
Hours of training conducted	8,376	8,000	9,000	10,000
Total training costs	\$ 13,557	\$ 16,000	\$ 19,800	\$ 24,500
Cost per manhour of training	\$ 1.62	\$ 2.00	\$ 2.20	\$ 2.45
Local units of county government receiving technical assistance annually	10	10	10	10
Increase the percentage of facilities which meet physical plant standards required of 1 year jails	75%	82%	89%	95%
Increase the percentage of approved beds in holding, lockup, jail adult detention and adult corrections facilities	89%	90%	92%	97%
Reduce the number of facilities operating with annual average daily populations at or greater than 90% of their existing bed capacities per calendar year	10	8	8	6

REVENUE:

None

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : COMMUNITY SERVICES
BUDGET ACTIVITY : FACILITIES PLG & INSPECTION

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	208	239	253	0	253	253	253	0	253	253
EXPENSES/CONTRACTUAL SRVCS	19	35	59	0	59	59	59	0	59	59
MISC OPERATING EXPENSES	17	14	23	0	23	23	24	0	24	24
SUPPLIES/MATERIALS/PARTS	1	1	3	0	3	3	4	0	4	4
REDISTRIBUTIONS	0	0	12	0	12	12	13	0	13	13
STATE OPERATIONS	245	289	350	0	350	350	353	0	353	353
LOCAL ASSISTANCE	117	112	93	0	93	93	93	0	93	93
TOTAL EXPENDITURES	362	401	443	0	443	443	446	0	446	446
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	266	252	271	0	271	271	271	0	271	271
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	5	0	0	0	0	0	0	0	0	0
FEDERAL	91	149	172	0	172	172	175	0	175	175
TOTAL FINANCING	362	401	443	0	443	443	446	0	446	446
POSITIONS BY FUND:										
GENERAL	5.0	5.0	5.0	0.0	5.0	5.0	5.0	0.0	5.0	5.0
FEDERAL	0.0	1.5	1.5	0.0	1.5	1.5	1.5	0.0	1.5	1.5
TOTAL POSITIONS	5.0	6.5	6.5	0.0	6.5	6.5	6.5	0.0	6.5	6.5

ACTIVITY: COMMUNITY SERVICES SUPPORT
Program: COMMUNITY SERVICES
Agency: CORRECTIONS, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

The Community Services Support activity attempts to control the criminal behavior of offenders in the community and to foster the development of skills offenders need to live a law-abiding life in the community. Community Services Support:

- 1) contracts for services at community residential facilities;
- 2) purchases non-residential community services from 2 or more organizations providing job placement, support service and referral for offenders.

The above provides and assists intensive supervision, structured living, the reintegration of offenders entering community life by providing them with practical work experience, educational and vocational assistance, chemical dependency/alcohol treatment, cultural experiences and therapeutic involvement. These programs are designed to enhance public safety while assisting offender reintegration into the community.

This activity also includes interstate compacts, administration of reciprocal agreements providing for the supervision of interstate parolees/probationers and administration of detainees.

Funding in this activity also aids non-Community Corrections Act (CCA) counties in providing correctional services for juveniles adjudicated as delinquent. The non-CCA subsidies fund correctional services in 3 categories:

1. County Probation Reimbursement: Minnesota statutes provide for 50% reimbursement of county probation officer(s) salary in non-CCA counties. If the appropriation is insufficient, reimbursement shall be prorated. (Statutory reference: M.S. 260.311.)
2. Community Corrections Centers: Minnesota statutes allow subsidy grants to provide housing, education, supervision and treatment of juveniles adjudicated as delinquent and placed on probation or parole. Two programs are presently receiving grants under this statute:
 - a) The Northwest Juvenile Training Center, a non-profit corporation, operates under a joint power agreement involving 8 counties. The program provides treatment and also non-secure detention for those awaiting court disposition. It is coeducational and is licensed by the Department of Corrections.
 - b) Leech Lake Youth Lodge is licensed by the Leech Lake Reservation Business Committee. The lodge provides a substitute home environment for hard to place predisposition Indian youth and those on probation or parole. (Statutory reference: M.S. 241.31)
3. Foster Group Care: Minnesota statutes provide that when an adjudicated delinquent is placed in a licensed group foster care facility the state shall reimburse counties for 50% of costs not paid by federal funds or other state aids/grants. Reimbursement shall be prorated if the appropriation is insufficient. This grant limits reimbursement of costs to a maximum of \$7.50 per day. Homes are licensed either by the Department of Corrections or the Department of Human Services. (Statutory reference: M.S. 260.251)

STATISTICS: F.Y. 1988 F.Y. 1989 F.Y. 1990 F.Y. 1991

Residential Contract Programs:

No. of residential contracts	6	6	6	6
No. Number of residents served	374	392	377	362
No. Number of resident days	21,002	22,052	21,170	20,323
Average cost per resident per day \$	32.65	\$ 32.75	\$ 32.75	\$ 32.90
% of successful program completion	65%	70%	70%	70%
% participating without new felony	98	98	98	98

County Probation Reimbursement:

No. of counties receiving subsidy	59	59	59	59
% reimbursed	50	50	50	50
Agent positions filled	151	153	154	156
Grants by Fund (000s)				
General Fund	\$ 6	\$ 306	\$ 306	\$ 306
Special Revenue	2,360	2,400	2,400	2,400
Total	\$ 2,366	\$ 2,706	\$ 2,706	\$ 2,706

Community Corrections Centers:

<u>Northwest Juvenile Training Center</u>				
No. of counties served	8	8	8	8
No. of beds, center	32	32	32	32
No. of beds, satellite homes	20	20	20	20
No. of children served	245	255	265	275
Grant % of budget	18.0	17.5	17.0	16.5
General Fund	\$118,250	\$118,250	\$118,250	\$118,250

(Remainder of financing is through county funds)

<u>Leech Lake Youth Lodge</u>				
No. of counties served	8	8	8	8
No. of beds	12	12	12	12
No. of children served	25	27	28	29
Grant percent of budget	37%	36%	36%	35%
General Fund	\$67,400	\$67,400	\$67,400	\$67,400

(Remainder of financing is through local funds)

Foster Group Care Reimbursement:

No. of counties participating in program	22	22	22	22
No. of reimbursed days	18,000	18,000	18,000	18,000
No. of group homes	66	66	66	66
General Fund	\$125,800	\$125,800	\$125,800	\$125,800
% of reimbursement	14	13	12	11

REVENUE:

None

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : COMMUNITY SERVICES
BUDGET ACTIVITY : COMMUNITY SERV SUPPT

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	221	174	276	27	303	303	276	27	303	303
EXPENSES/CONTRACTUAL SRVCS	883	800	698	397	1,095	818	698	413	1,111	818
MISC OPERATING EXPENSES	80	89	130	1	131	131	130	1	131	131
SUPPLIES/MATERIALS/PARTS	0	1	1	2	3	3	1	2	3	3
STATE OPERATIONS	1,184	1,064	1,105	427	1,532	1,255	1,105	443	1,548	1,255
LOCAL ASSISTANCE	2,754	3,068	3,018	<126>	2,892	2,892	3,018	<126>	2,892	2,892
TOTAL EXPENDITURES	3,938	4,132	4,123	301	4,424	4,147	4,123	317	4,440	4,147
CHANGE REQUESTS:										
B FOSTER GROUP CARE REIMBURSEMENT					<126>			<126>		<126>
B CONTRACT PROGRAMS					427			443		150
TOTAL CHANGE REQUESTS					301			317		24
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,454	1,682	1,723	301	2,024	1,747	1,723	317	2,040	1,747
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	2,484	2,450	2,400	0	2,400	2,400	2,400	0	2,400	2,400
TOTAL FINANCING	3,938	4,132	4,123	301	4,424	4,147	4,123	317	4,440	4,147
POSITIONS BY FUND:										
GENERAL	4.8	3.8	3.8	1.0	4.8	4.8	3.8	1.0	4.8	4.8
TOTAL POSITIONS	4.8	3.8	3.8	1.0	4.8	4.8	3.8	1.0	4.8	4.8

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: COMMUNITY SERVICES SUPPORT
 PROGRAM: COMMUNITY SERVICES DIVISION
 AGENCY: CORRECTIONS, DEPARTMENT OF

REQUEST TITLE: FOSTER GROUP CARE REIMBURSEMENT

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
General Fund	\$ (126)	-0-	\$ (126)	-0-
Governor's Recommendation				
General Fund	\$ (126)	-0-	\$ (126)	-0-

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 1986, Ch. 260, Sec. 251, Subd. 1a.

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests that these funds be deleted from it's budget to discontinue the state's minimal participation in sharing the cost of placement of delinquent juveniles in foster group care by the non-community corrections act counties. The intent of M.S. 260.251 appears to have been to encourage and support the development of foster group care at a time when there was little such care. Group homes are now firmly established as a means of programming for juvenile offenders in Minnesota and this incentive is no longer required.

DESCRIPTION/BACKGROUND:

<u>STATISTICS:</u>	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number of counties participating in the program	22	22	-0-	-0-
Number of group homes	66	66		
General Fund	\$ 125,800	\$ 125,800	-0-	-0-
% of reimbursement paid	14	13	-0-	-0-

RATIONALE:

There appears to be decreasing need for the foster group home subsidy. The state has contributed a diminishing percentage over the years. Current figures indicate the State Foster Group Care Reimbursement Program is paying about 14% or less of the per diem for such foster group care.

It is the position of the Department of Corrections that no single county budget would be seriously affected by this change nor would the level of care for juvenile delinquents.

<u>BASE:</u>	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 126	\$ 126	\$ 126	\$ 126
<u>LONG RANGE FUNDING IMPLICATIONS:</u>				
	F.Y. 1992	F.Y. 1993	Total	
General Fund	\$ (126)	\$ (126)	\$(252)	
<u>GOVERNOR'S RECOMMENDATION:</u>				
The Governor concurs with the agency's request.				

CHANGE REQUEST 1990-91 Biennial Budget
 _____ Agency _____ Program X Activity

ACTIVITY: COMMUNITY SERVICES SUPPORT
 PROGRAM: COMMUNITY SERVICES
 AGENCY: CORRECTIONS, DEPARTMENT OF

REQUEST TITLE: CONTRACT PROGRAMS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 427	1.0	\$ 443	1.0

Governor's Recommendation

General Fund	\$ 150	1.0	\$ 150	1.0
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Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

This agency requests additional funds to increase the amount of beds available in residential community facilities (halfway houses) for selected high risk offenders released from adult corrections facilities on supervised release status. The additional funds will also provide more residential placement alternatives out of the metropolitan area and more placement options for the female offender as she is released to the community. A position and funds for 1 Clerk Typist IV are necessary to provide support services for staff doing contracting and monitoring performance of contractors and grantees.

DESCRIPTION/BACKGROUND:

Minnesota Statutes provide that the Commissioner of Corrections may set conditions of supervised release for offenders. It has been determined that certain high-risk offenders are best placed in residential programs which provide surveillance, supervision, and aid in the transition process. Increasing numbers of this type of offender are leaving the institution after serving their guidelines-imposed sentence. Therefore, the department is requesting an increase in funding to provide added beds for this purpose as well as providing day care programming and electronic supervision.

STATISTICS:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Average daily population	57	60	83	97
Number of residents served	374	392	441	490
Number of resident days	21,002	22,052	30,912	32,000
Average cost per resident per day	\$ 32.65	\$ 32.75	\$ 25.50	\$ 26.50
Average length of stay (days)	56	50	45	45

RATIONALE:

The department through its Office of Adult Release, is mandating residential conditions for a greater number of our releasees to help ensure a high level of public safety. More and more of the most serious offenders sentenced under Sentencing Guidelines are now reaching their mandatory supervised release dates. They include more sex offenders and other violent offenders than in the past. The department needs structured, well supervised placements to help maintain a low risk to the community. The department is responding to the requests of greater Minnesota to provide more placement options for both male and female offenders returning to those more rural communities. The department also wishes to implement day care programs and electronic surveillance for this group to enhance safety during the transition process.

A significant portion of this CHANGE level will be used to replace dedicated receipts which the department has made available during the previous biennium.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 725	\$ 748	\$ 696	\$ 696
Special Revenue	124	50	-0-	-0-
Total	\$ 849	\$ 798	\$ 696	\$ 696

LONG RANGE FUNDING IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 443	\$ 443	\$ 886
General Fund Positions	1.0	1.0	1.0

GOVERNOR'S RECOMMENDATION:

The Governor recommends funding sufficient to return this activity to the level of resources committed in FY 1988.

PROGRAM: MANAGEMENT SERVICES
 Agency: CORRECTIONS, DEPARTMENT OF

1990-91 Biennial Budget

PROGRAM PURPOSE:

This program provides a broad range of management support services throughout the department. Included are the administrative management of the department, fiscal services, hearing officer services, office management/affirmative action, personnel, staff training, and the information and analysis unit. The planning and coordination of women's correctional programs is provided in the program. This program also includes funding for the offices of adult and juvenile release.

The primary objective of this program is to provide management direction that will contribute to accomplishing the department's mission.

OPERATION:

There are 7 functions within this program.

- 1) Administrative management establishes major policy for the department and provides executive leadership to over 1,900 employees.
- 2) The fiscal services section maintains the fiscal records of the department and directs the formulation of budgets and financial reports. All transactions are conducted to ensure that sound financial management policies are followed. This section also monitors subsidy grants to counties and to other programs within the criminal justice system.
- 3) The office management/affirmative action section provides support services within the department for a variety of services and functions including: state vehicle use, mailroom, photocopying, word processing and equipment and office space assignments. The affirmative action program is established to provide equal employment opportunities in the department. An agency-wide plan set affirmative action goals for each occupational category and for each office/institution.
- 4) The personnel section coordinates recruiting and selection of new employees, and all personnel transactions with the Department of Employee Relations. This section administers the department's affirmative action program and represents the department in labor negotiations. All personnel records are maintained within this section.
- 5) The staff training section operates a training program for new employees and is responsible for providing in-service training programs throughout the Department of Corrections. The department's regional training center is included in this activity.
- 6) The information and analysis section provides operational and management information for department staff, other criminal justice agencies, and public groups which require information regarding the clientele and operation of the department. The information produced by this activity is maintained in an automated data processing system.
- 7) The woman offender planning effort includes issue identification, resource development, research and implementation of the department's state plan for women offenders. Staff support for the state Advisory Task Force on the Women Offender in Corrections is also provided.

EXPLANATION OF BUDGET REQUEST:

CHANGE levels requested for this program are as follows:

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Planning for Women Offenders	\$ 107		\$ 107	
Adult & Juvenile Release Staffing	81	2.0	81	2.0
Agency-Population Increase	33	1.0	33	1.0
Agency-Pre-Service/In-Service Training	165	3.5	165	3.5
Agency-Computer Technology Upgrade	<u>188</u>	<u>—</u>	<u>854</u>	<u>—</u>
TOTAL	\$ 574	6.5	\$1,240	6.5

GOVERNORS RECOMMENDATION:

The Governor recommends a General Fund BASE of \$8,300,000 and a biennial increase of \$1,354,000 for the 1990-91 budget. Details on increased funding can be found on the following budget activity pages.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : MANAGEMENT SERVICES

ACTIVITY EXPENDITURES:		F.Y. 1990					F.Y. 1991				
		FY 1988	FY 1989	AGENCY REQUEST		GOVERNOR'S RECOMM.	AGENCY REQUEST		GOVERNOR'S RECOMM.		
				BASE	CHANGE		TOTAL	BASE		CHANGE	TOTAL
ADMINISTRATIVE MGT		951	1,140	1,040	188	1,228	1,198	1,040	188	1,228	1,198
B PLANNING FOR WOMEN OFFENDERS	GEN				107		77		107		77
B ADULT & JUV RELEASE STAFFING	GEN				81		81		81		81
FISCAL SERVICES		496	533	541	0	541	541	541	0	541	541
OFFICE SERVICES		634	703	743	0	743	743	773	0	773	773
PERSONNEL		357	399	411	33	444	444	411	33	444	444
A POPULATION INCREASE	GEN				33		33		33		33
TRAINING		267	466	261	165	426	414	261	165	426	414
A PRE-SERVICE/IN-SERVICE TRAINING	GEN				165		153		165		153
INFO & ANALYSIS		1,508	1,448	1,180	188	1,368	1,372	1,180	854	2,034	1,654
A COMPUTER TECHNOLOGY UPGRADE	GEN				188		192		854		474
TOTAL EXPENDITURES		4,213	4,689	4,176	574	4,750	4,712	4,206	1,240	5,446	5,024
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL		3,616	4,192	4,135	574	4,709	4,671	4,165	1,240	5,405	4,983
STATUTORY APPROPRIATIONS:											
SPECIAL REVENUE		565	409	41	0	41	41	41	0	41	41
FEDERAL		30	85	0	0	0	0	0	0	0	0
GIFTS AND DEPOSITS		2	3	0	0	0	0	0	0	0	0
TOTAL FINANCING		4,213	4,689	4,176	574	4,750	4,712	4,206	1,240	5,446	5,024
POSITIONS BY FUND:											
GENERAL		67.2	69.2	69.2	6.5	75.7	75.7	69.2	6.5	75.7	75.7
SPECIAL REVENUE		5.5	3.5	0.8	0.0	0.8	0.8	0.8	0.0	0.8	0.8

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : MANAGEMENT SERVICES

POSITIONS BY FUND:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
FEDERAL	0.8	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL POSITIONS	73.5	73.5	70.0	6.5	76.5	76.5	70.0	6.5	76.5	76.5

ACTIVITY: ADMINISTRATIVE MANAGEMENT
Program: MANAGEMENT SERVICES
Agency: CORRECTIONS, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

This area is responsible for planning, organizing, directing and administering the activities of the department. The administrative management activity establishes major policy for the department and provides executive leadership to more than 1,900 employees working in 9 institutions, 38 field offices and numerous support service areas throughout the state. This includes administrative direction and reviews, management decision-making, and the development of both internal and external communication.

This activity also includes:

- 1) the Office of Adult and Juvenile Release which is responsible for approval of release plans, conducting revocation hearings, issuance of warrants and orders for discharge and conducting progress review for all adults and juveniles committed to the commissioner;
- 2) hearing officer services for disciplinary hearings for adult inmates; and
- 3) planning and coordination of women's correctional programs and staffing of the state Advisory Task Force on the Woman Offender in Corrections.

This activity provides direction to the department by:

- 1) Implementing the department's mission statement; regularly evaluating existing uses of institutions and modifying their use as appropriate.
- 2) Organizing the department's divisions through delegation of authority and assignment of responsibility to agency managers.
- 3) Setting policy and establishing procedures which implement policies on a department-wide basis.
- 4) Planning major department activities; integrating these plans into the budget process, evaluating activity progress and improving problem areas.
- 5) Reviewing the department's budget regularly, adjusting expenditures as necessary and seeking any revenue generating possibilities.
- 6) Maintaining a high level of agency participation in criminal justice policy-making activities on the state and local levels.
- 7) Maintaining interaction with the Office of the Governor, the legislature, and state agencies including the Sentencing Guidelines Commission, the Ombudsman for Corrections, and the Departments of Public Safety, Human Services, Health, State Planning, Administration, Employee Relations and Finance.
- 8) Providing direction and support to the department's affirmative action efforts.

Statutory References: M.S. Ch. 241.01, 241.70, 242.10, 243.05 Subd. 2.

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Adult and Juvenile Release:				
Revocation hearings conducted	646	775	930	1,120
Progress/adjustment reviews	840	940	1,040	1,140
Hearing Office:				
Number of discipline reports filed	5,260	5,680	6,130	6,620

REVENUE:

None

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : MANAGEMENT SERVICES
BUDGET ACTIVITY : ADMINISTRATIVE MGT

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	858	1,060	960	65	1,025	1,025	960	65	1,025	1,025
EXPENSES/CONTRACTUAL SRVCS	44	32	32	9	41	41	32	9	41	41
MISC OPERATING EXPENSES	43	45	45	8	53	53	45	8	53	53
SUPPLIES/MATERIALS/PARTS	4	3	3	6	9	9	3	6	9	9
CAPITAL EQUIPMENT	2	0	0	0	0	0	0	0	0	0
STATE OPERATIONS	951	1,140	1,040	88	1,128	1,128	1,040	88	1,128	1,128
LOCAL ASSISTANCE	0	0	0	100	100	70	0	100	100	70
TOTAL EXPENDITURES	951	1,140	1,040	188	1,228	1,198	1,040	188	1,228	1,198
CHANGE REQUESTS:	FUND									
B PLANNING FOR WOMEN OFFENDERS				107			77			77
B ADULT & JUV RELEASE STAFFING				81			81			81
TOTAL CHANGE REQUESTS				188			158			158
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	942	1,140	1,040	188	1,228	1,198	1,040	188	1,228	1,198
STATUTORY APPROPRIATIONS:										
FEDERAL	9	0	0	0	0	0	0	0	0	0
TOTAL FINANCING	951	1,140	1,040	188	1,228	1,198	1,040	188	1,228	1,198
POSITIONS BY FUND:										
GENERAL	18.0	18.0	18.0	2.0	20.0	20.0	18.0	2.0	20.0	20.0
TOTAL POSITIONS	18.0	18.0	18.0	2.0	20.0	20.0	18.0	2.0	20.0	20.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: ADMINISTRATIVE MANAGEMENT
 PROGRAM: MANAGEMENT SERVICES
 AGENCY: CORRECTIONS, DEPARTMENT OF

REQUEST TITLE: PLANNING FOR WOMEN OFFENDERS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 107	-0-	\$ 107	-0-
Governor's Recommendation				
General Fund	\$ 77	-0-	\$ 77	-0-
Request requires statutory change: _____ Yes <u> X </u> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The Office of Planning for Women Offenders is requesting funds in 2 general categories. The 1st category in which funds are requested is to provide reimbursement for not less than 4 nor more than 8 corrections programs for jail alternatives and community programming for sentenced adult females. Non-Community Corrections Act counties would have priority, but statewide options for women offenders may also be developed. This funding request of \$100,000 is for the new activity of model programming.

The 2nd request is an increase in the operating budget of \$7,000. The major increase in this area is to allow State Advisory Task Force on Women Offenders in Corrections' members to provide technical assistance to greater Minnesota counties for needs assessment and program development. The increase in instate travel for the Director of Planning and for printing and publication costs will assist in the implementation of the State Plan.

DESCRIPTION/BACKGROUND:

The department wishes to implement a plan to enhance the delivery of local correctional services with an emphasis on improved programming for female offenders outside jail facilities.

In non-metropolitan areas, a woman incarcerated in a local jail is frequently the only adult female in that institution. In 1986 the average daily population (ADP) of women serving jail time in 72% of Minnesota counties was less than 2. In 1987, 57% of the county jails in Minnesota had an ADP of less than 2 women. Consequently, the time served by the offender may be characterized as isolation. The special needs of the adult female offender are often not addressed due to the impracticality of establishing jail programs for small numbers of offenders.

In the State Plan for Women Offenders, submitted in December of 1986, recommendations include exploring regional and innovative programming, particular-

ly jail alternative initiatives and, when appropriate and feasible, these shall be shared and replicated.

Two jail diversion pilot projects administered by the department's licensing and inspection unit are excellent examples of creative ways to provide useful, successful programming for women offenders. These programs could be replicated as well as new and creative programming designed and implemented.

The Female Diversion Project (FDP) sponsored by Tri-County Community Corrections served 3 CCA and 3 non-CCA counties. The program involved women serving a small portion of their sentence in jail, to complete a career and personal assessment. Once goals were defined, the woman offender returned to her home community to begin working on those goals, building a positive support network and developing personal and social skills. A case manager provided intensive supervision through home visits, and the offender was expected to attend monthly or bimonthly group meetings. Seventeen women have completed participation in this program, all receiving a career assessment and attending workshops. Twenty-two participants received counseling, chemical dependency treatment, and/or attended self help groups. Eight women attended school or became employed. Five women participated in community services. Only 2 women were terminated for noncompliance. Thirty percent of the women served in this project have been women of color.

In the Jail Diversion Project (JDP), sponsored by the Women's Center of Mid-Minnesota, women served all or most of their jail sentence in a shelter for battered women. This project served women from 5 central Minnesota CCA Counties. Two non-CCA counties were offered this service, but did not send referrals. The women serving jail time in the shelter have 24 hour staff supervision while having access to support groups, advocacy, community education, information and referral, as well as the opportunity to have their children for overnight visits on a weekly basis. The 25 women involved in JDP served 580 days in the battered women's shelter. Twenty-three women received referrals to support groups and/or counseling.

Eleven women participated in the work program within the shelter. Work release under the Huber Law was available to women who met that criteria.

Both the model projects, funded through the Jail Inspection and Enforcement Unit, must be considered successful as jail alternatives while meeting the special needs of the women offender.

It is anticipated that the State Advisory Task Force on Women Offenders would be involved in making recommendations regarding the R.F.P. and grant determination process, and would also be available to provide technical assistance to counties or other groups who wish assistance in program development.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. of female felons	1,210	1,312	1,423	1,522
No. of female felons serving jail time	536	602	700	745
No. of females sent to prison (exclude technical violations)	102	112	125	135

RATIONALE:

Per M.S. Ch. 241.71 the Commissioner of Corrections created an Advisory Task

CHANGE REQUEST 1990-91 Biennial Budget
 _____ Agency _____ Program X Activity
 (Continuation)

ACTIVITY: ADMINISTRATIVE MANAGEMENT
 PROGRAM: MANAGEMENT SERVICES
 AGENCY: CORRECTIONS, DEPARTMENT OF

Force on the Woman Offender in Corrections to assure that adult women convicted of crimes would be provided a range of programming substantially equivalent to that offered men convicted of crimes. That legislation, within the limits of money appropriated, called for model programs to be implemented. In 1986, the State Plan on Women Offenders recommended that regional innovative and culturally specific programming be implemented. This CHANGE request would be the next logical step to meet these goals of providing parity of options for women offenders.

	(Dollars in Thousands)			
BASE:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 31	\$ 49	\$ 49	\$ 49

	(Dollars in Thousands)		
LONG RANGE FUNDING IMPLICATIONS:	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 107	\$ 107	\$ 214

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for the following: a biennial reduction of \$60,000 in consideration of competing demands on correctional resources.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: ADMINISTRATIVE MANAGEMENT
 PROGRAM: MANAGEMENT SERVICES
 AGENCY: CORRECTIONS, DEPARTMENT OF

REQUEST TITLE: ADULT AND JUVENILE RELEASE STAFFING

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 81	2.0	\$ 81	2.0
Governor's Recommendation				
General Fund	\$ 81	2.0	\$ 81	2.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests 1.0 hearing officer and 1.0 secretarial position and the corresponding funding to meet the increased workload in the Offices of Adult and Juvenile Release. The objectives of the Offices of Adult and Juvenile Release are to provide overall responsibility and direction for institution releases, including institution program review for juveniles, and the setting of conditions of parole/release for both juveniles and adults; the granting work release; the revocation of release/work release, including the issuance of warrants for the apprehension of releasees; and program policy and procedure development, implementation, and monitoring.

DESCRIPTION/BACKGROUND:

Historically, the functions of the Office of Adult Release had been provided by the Minnesota Corrections Board, a full-time, appointed board which was comprised of a chairman, 4 members, and supportive staff. The Minnesota Corrections Board was abolished on 7-1-82. The Office of Adult Release has functioned since that time with 1 executive officer, part-time assistance from a hearing officer, and 1 secretary whose responsibility has also included the Office of Juvenile Release since 1983.

The current Office of Juvenile Release was created in 1980 and in essence replaced the Youth Conservation Commission, a board which was comprised of a full-time chairman and 4 part-time, appointed members from 1947 to 1973.

From 1973 to 1980 juvenile release and revocation procedures were performed by an executive officer of juvenile release and 2.0 action panel chairmen, 1.0 each located at MCF-Red Wing and MCF-Sauk Centre with assistance from field supervisors in the revocation process.

Currently the above offices are functioning with an Executive Officer of Adult Release; an Executive Officer of Juvenile Release; a Deputy Executive Officer of Adult and Juvenile Release and a full time clerical person. The

Offices of Adult and Juvenile Release interact with approximately 5,000 cases in institutions and under release supervision. This activity is anticipated to grow with the increase in commitments to the Commissioner of Corrections.

As an example, the number of revocation hearings held statewide increased from 648 at the end of F.Y. 1987 to 646 at the end of F.Y. 1988, an increase of 38%.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Institution admissions	2,400	2,600	2,800	3,000
Releases	2,225	2,350	2,475	2,600
Revocation hearings conducted	646	775	930	1,120
Warrants issued	675	720	765	810
Restructures of release	350	400	450	500
Progress/adjustment reviews	840	940	1,040	1,140

Institution admissions represent the total number of adults and juveniles received at state institutions. Every new admission represents a future review by the Office of Adult Release at subsequent reentry review hearings to set conditions of release. The Office of Juvenile Release reviews each new admission in person after admittance and sets the future review dates.

Releases represent the total number of persons released from adult and juvenile institutions. Each individual has at least 1 hearing prior to release to set the conditions of release. Juveniles may have up to 5 or more hearings prior to the actual release. The Office of Adult Release may also grant work release prior to the projected release date for inmates meeting the work release criteria.

The Offices of Adult and Juvenile Release conduct revocation hearings at Minnesota correctional facilities and in detention, jail, and community facilities throughout the state. The purpose of the revocation hearing is to determine whether or not the person has violated the conditions of release and then to apply the appropriate sanctions if the violation is sustained.

The Office of Adult Release has the responsibility for issuing apprehension and detainer warrants for individuals who are alleged to have violated their conditions of supervised release. These warrants authorize law enforcement agencies to apprehend fugitives and also authorize holding facilities to detain alleged violators for the Department of Corrections.

Both the Offices of Adult and Juvenile Release have the authority to restructure conditions of release for individuals who have violated their release. This is a formal procedure which is initiated by the parole agent and becomes finalized with the review and approval by the executive officer or deputy executive officer. This may be the outcome of a revocation hearing but often is a separate transaction.

The Office of Adult Release each month conducts annual release progress reviews for cases under community supervision and may discharge those persons serving indeterminate sentences if their adjustment warrants. Each month the Office of Juvenile Release reviews the progress of juveniles under supervision and may discharge those persons who meet established discharge criteria. Each case is reviewed at least twice a year.

In each of the aforementioned areas, considerable preparation time is called

CHANGE REQUEST 1990-91 Biennial Budget
 _____ Agency _____ Program X Activity
 (Continuation)

ACTIVITY: ADMINISTRATIVE MANAGEMENT
 PROGRAM: MANAGEMENT SERVICES
 AGENCY: CORRECTIONS, DEPARTMENT OF

for prior to a decision. All aspects of each case must be carefully evaluated and communications are initiated with field services and/or institution staff. There is considerable file review and formal procedures to follow prior to the rendering of subsequent decisions. The follow up clerical requirements to each of the aforementioned decisions are complex and voluminous and often require additional extensive communications, distribution of decision materials, and the proper recording of the actions taken.

RATIONALE:

The increase in the total activity of the Offices of Adult and Juvenile Release including program plan reviews, reentry (release) reviews, issuance of warrants, scheduling of revocation hearings, actual revocation hearings held, restructure reviews, and the resulting increase in the clerical support functions is the basis for this request. Current clerical staffing is unable to provide a minimal level of support service for the existing needs of these offices.

In addition, the Offices of Adult and Juvenile Release are in constant communications with clients and client families, several outside agencies such as the Attorney General's Office and the State Public Defender's Office, as well as attorneys and field services agents on a statewide basis. This on-going communication places a significant burden on clerical services through this process of communication which involves over 5,000 clients in institutions and on release status.

These units require the additional funding in order to adequately provide the day to day services mandated by their objectives, as well as to provide for the necessary program maintenance, policy development, planning and program monitoring.

<u>BASE:</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General Fund	\$ 223	\$ 214	\$ 214	\$ 214
General Fund Positions	4.0	4.0	4.0	4.0

<u>LONG RANGE FUNDING IMPLICATIONS:</u>	<u>(Dollars in Thousands)</u>		
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Total</u>
General Fund	\$ 81	\$ 81	\$ 162
General Fund Positions	2.0	2.0	2.0

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

ACTIVITY: FISCAL SERVICES
Program: MANAGEMENT SERVICES
Agency: CORRECTIONS, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

Fiscal Services monitors and measures all fiscal activity within the department and reports the economic effect to managers and employees. It collects, classifies, records and summarizes financial transactions and data. A primary responsibility is to provide managers with information necessary for planning and controlling operations on a day-to-day basis. Fiscal services include budgeting, payroll, position control, institution accounting coordination, grant accounting and coordination, an internal auditing function, purchasing and disbursements, billing and receipts, travel audits, cost analysis, cost reporting, management and financial reporting, contract coordination and investing of industry funds.

All of the above responsibilities are designed to support department staff in achieving Department of Corrections' goals and priorities. Special emphasis is given to prompt payment of agency bills and provision of audit services to the many programs administered by the department.

Statutory Reference: M.S. Ch. 241.01.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Total annual budget (000's)	\$ 127,996	\$ 135,128	\$ 130,000	\$ 130,321
Number of payment transactions	81,900	83,000	84,000	84,000
% of bills paid within 30 days	99	99	99	99
Audits conducted	30	35	35	35
Grant administration of federal funds (000's)	\$2,129	\$2,365	\$1,707	\$1,703
Grant administration of non-CCA subsidies (000's)	\$2,678	\$3,018	\$3,018	\$3,018

REVENUE:

None

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : MANAGEMENT SERVICES
BUDGET ACTIVITY : FISCAL SERVICES

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	488	520	531	0	531	531	531	0	531	531
EXPENSES/CONTRACTUAL SRVCS	1	1	1	0	1	1	1	0	1	1
MISC OPERATING EXPENSES	4	11	8	0	8	8	8	0	8	8
SUPPLIES/MATERIALS/PARTS	2	1	1	0	1	1	1	0	1	1
CAPITAL EQUIPMENT	1	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	496	533	541	0	541	541	541	0	541	541
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	475	504	512	0	512	512	512	0	512	512
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	0	0	29	0	29	29	29	0	29	29
FEDERAL	21	29	0	0	0	0	0	0	0	0
TOTAL FINANCING	496	533	541	0	541	541	541	0	541	541
POSITIONS BY FUND:										
GENERAL	13.2	13.2	13.2	0.0	13.2	13.2	13.2	0.0	13.2	13.2
SPECIAL REVENUE	0.0	0.0	0.8	0.0	0.8	0.8	0.8	0.0	0.8	0.8
FEDERAL	0.8	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL POSITIONS	14.0	14.0	14.0	0.0	14.0	14.0	14.0	0.0	14.0	14.0

ACTIVITY: OFFICE SERVICES
 Program: MANAGEMENT SERVICES
 Agency: CORRECTIONS, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

The Office Services activity provides the support services necessary to facilitate the work of the staff working in central office and community services, outside of the central office. Also, this unit is responsible for monitoring the affirmative action goals and objectives thus ensuring that the agency is an equal opportunity employer.

The specific services for central office include word processing, motor pool, receptionist/switchboard, printing, duplicating, responsibility for specialized department-wide forms, assisting in the compliance with the American Correctional Association standards, mail service, daily courier service and liaison with building management regarding leasing of space, remodelling and office and building amenities.

This section also provides services to both central office and community services in the areas of office supplies, purchase and repair of furniture and equipment, purchase, repair and changes of telephones and telephone service, fixed and consumable asset control and the coordination of the purchase, maintenance and assignment of cars out of the department central office motor pool.

Statutory Reference: M.S. Ch. 241.01.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Protected class employees:				
Women	555	570	590	610
Minority	109	120	135	145
Handicapped	216	230	245	260
Viet Nam veteran	294	305	-0-	-0-
Total	<u>1,174</u>	<u>1,225</u>	<u>970</u>	<u>1,015</u>
Federal mail received and sent from central office	115,000	116,000	117,000	118,000
Interoffice mail (number of pieces handled)	74,890	76,000	78,000	80,000
Number of fixed assets	1,650	1,700	1,700	1,750
% of fixed asset audit accuracy	98	98	98	98

REVENUE:

None

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : MANAGEMENT SERVICES
BUDGET ACTIVITY : OFFICE SERVICES

EXPENDITURES:	F.Y. 1990					F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	207	245	251	0	251	251	251	0	251	251
EXPENSES/CONTRACTUAL SRVCS	278	300	330	0	330	330	360	0	360	360
MISC OPERATING EXPENSES	106	115	115	0	115	115	115	0	115	115
SUPPLIES/MATERIALS/PARTS	40	43	47	0	47	47	47	0	47	47
CAPITAL EQUIPMENT	3	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	634	703	743	0	743	743	773	0	773	773
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	634	699	740	0	740	740	770	0	770	770
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	0	3	3	0	3	3	3	0	3	3
GIFTS AND DEPOSITS	0	1	0	0	0	0	0	0	0	0
TOTAL FINANCING	634	703	743	0	743	743	773	0	773	773
POSITIONS BY FUND:										
GENERAL	8.0	8.0	8.0	0.0	8.0	8.0	8.0	0.0	8.0	8.0
TOTAL POSITIONS	8.0	8.0	8.0	0.0	8.0	8.0	8.0	0.0	8.0	8.0

ACTIVITY: PERSONNEL
Program: MANAGEMENT SERVICES
Agency: CORRECTIONS, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

The personnel unit:

- 1) provides the department's administrators and managers with information, consultation, and direction concerning interpretation of personnel policies, grievance disputes, discipline matters, staffing patterns and the formulation of personnel policies and union negotiation positions;
- 2) monitors departmental personnel transactions to ensure equity and consistency with established policies;
- 3) provides professional personnel staff in the larger correctional institutions to service the needs of those individual facilities;
- 4) performs personnel duties for the camps and smaller institutions through assignment of other staff with coordination from the central office unit.

The department has employees in 12 of the 16 bargaining units authorized by the legislature and administers 7 collective bargaining agreements. The personnel unit plays a key role in interpreting contracts as well as in negotiations, grievance and arbitration matters. The unit also has responsibility for developing plans and assisting institution administrators to ensure that the department is prepared for possible employee strike action.

Statutory Reference: M.S. 241.01.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Job audits, allocations, reallocations of positions	245	250	260	270
Disciplinary actions processed	120	110	115	115
Examinations for correctional counselor applications processed	1,335	1,335	1,335	1,335
Applicants interviewed (all positions)	550	550	560	570
Other examinations	310	325	335	350
Performance reviews	2,400	2,400	2,500	2,500
Personnel transactions (hires, transfers promotions)	885	885	890	900

REVENUE:

None

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : MANAGEMENT SERVICES
BUDGET ACTIVITY : PERSONNEL

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	352	388	397	30	427	427	397	30	427	427
EXPENSES/CONTRACTUAL SRVCS	0	3	3	0	3	3	3	0	3	3
MISC OPERATING EXPENSES	4	8	11	3	14	14	11	3	14	14
SUPPLIES/MATERIALS/PARTS	1	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	357	399	411	33	444	444	411	33	444	444
CHANGE REQUESTS: FUND										
A POPULATION INCREASE					33	33			33	33
TOTAL CHANGE REQUESTS					33	33			33	33
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	357	399	411	33	444	444	411	33	444	444
TOTAL FINANCING	357	399	411	33	444	444	411	33	444	444
POSITIONS BY FUND:										
GENERAL	9.0	9.0	9.0	1.0	10.0	10.0	9.0	1.0	10.0	10.0
TOTAL POSITIONS	9.0	9.0	9.0	1.0	10.0	10.0	9.0	1.0	10.0	10.0

ACTIVITY: TRAINING
 Program: MANAGEMENT SERVICES
 Agency: CORRECTIONS, DEPARTMENT OF

1990-91 Biennial Budget

REVENUE:

This activity generates dedicated revenue.

PURPOSE:

Staff training provides relevant, pre-service and in-service training aimed at developing and maintaining employees' competence in performing their work.

Most training takes place at the department's new regional training center at MCF-Sauk Centre. Overnight meetings and seminars sponsored by the department or other state agencies are held there. In addition to state institution and community services staff, the department has a commitment to the training of Community Corrections Act staff and county probation officers.

Training enables employees to be aware of current knowledge in the areas of due process, emergency procedures, causes and treatment of AIDS, the impact of gangs on the prison environment, as well as other subject matters that have an impact on the department's operation. Basically, staff training is aimed at the development and maintenance of a physically secure environment within which staff and inmates can feel safe.

Statutory Reference: M.S. 241.01, Sub. 5.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number of trainees through pre-service academy	150	150	150	150
Number of persons receiving orientation to the Department of Corrections	86	85	85	85
Number of in-service training hours presented	760	760	1,000	1,000
Total number of person hours of training	12,600	12,600	16,500	16,500
% of in-service training hours provided toward meeting department and ACA standards	22	22	30	30
Number of overnight seminars/ meetings arranged and managed for department and other state agency staff (Center opened for use 3-15-88.)	10	40	40	40

Critical Areas - In the change request document it will be noted that 2 areas of training are considered especially critical. These are the areas of sex offender treatment and gangs, cults and ritualistic crime. Gang members and sex offenders are entering the institutional populations in increasing numbers. The issues in dealing with them are complex. Consequently, more teaching authorities will be sought in these 2 areas to share their knowledge with Corrections' staffs.

(Dollars in Thousands)

Type of Revenue:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Dedicated - Special	\$ 1	\$ 8	\$ 9	\$ 9

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : MANAGEMENT SERVICES
BUDGET ACTIVITY : TRAINING

EXPENDITURES:	F.Y. 1990						F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
DETAIL BY CATEGORY:											
STATE OPERATIONS:											
PERSONAL SERVICES	175	221	135	88	223	223	135	88	223	223	
EXPENSES/CONTRACTUAL SRVCS	27	147	65	41	106	94	65	41	106	94	
MISC OPERATING EXPENSES	30	72	39	31	70	70	39	31	70	70	
SUPPLIES/MATERIALS/PARTS	32	24	22	5	27	27	22	5	27	27	
CAPITAL EQUIPMENT	3	2	0	0	0	0	0	0	0	0	
TOTAL EXPENDITURES	267	466	261	165	426	414	261	165	426	414	
CHANGE REQUESTS:	FUND										
A PRE-SERVICE/IN-SERVICE TRAINING	GEN										
				165		153		165		153	
TOTAL CHANGE REQUESTS				165		153		165		153	
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	49	249	252	165	417	405	252	165	417	405	
STATUTORY APPROPRIATIONS:											
SPECIAL REVENUE	216	159	9	0	9	9	9	0	9	9	
FEDERAL	0	56	0	0	0	0	0	0	0	0	
GIFTS AND DEPOSITS	2	2	0	0	0	0	0	0	0	0	
TOTAL FINANCING	267	466	261	165	426	414	261	165	426	414	
POSITIONS BY FUND:											
GENERAL	1.0	3.0	3.0	3.5	6.5	6.5	3.0	3.5	6.5	6.5	
SPECIAL REVENUE	5.5	3.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
TOTAL POSITIONS	6.5	6.5	3.0	3.5	6.5	6.5	3.0	3.5	6.5	6.5	

ACTIVITY: INFORMATION AND ANALYSIS
Program: MANAGEMENT SERVICES
Agency: CORRECTIONS, DEPARTMENT OF

1990-91 Biennial Budget

REVENUE:

None

PURPOSE:

The information and analysis section provides computerized data processing services, research support and central records management services to department operational and management staff. This activity provides department staff, other criminal justice agencies and the public with accurate and timely information regarding the department's clientele and operations. Information systems provides the central management for the department's automated data processing systems which include automated support for inmate records, inmate accounting, automated sentence computation and inmate classification. The research component produces program evaluations, statistical reports and policy analyses for agency managers and other public authorities. The demand for services, particularly computer support, is increasing rapidly as the department continues to automate essential operational and management functions.

The Department of Corrections:

- 1) Completed an information needs assessment in 1986, which was selected as one of the first STEP projects and was finalist for the first Governor's Award for Excellence in State Management (1986);
- 2) Was the first state agency to complete an information needs assessment and from that to develop a strategic information systems plan. This long-range plan is the foundation for the information system improvements outlined in the Action Plan submitted to the Governor;
- 3) The information system planning process is used as a model by other agencies and by the state's Information Policy Office;
- 4) During 1988-89 devoted about \$500,000 of dedicated receipts to install 9 local area networks with fourth generation language capabilities, the first essential step in upgrading the agency's computer hardware and software.

Statutory References: M.S. Ch. 241.01, Subd. 5 and 241.06.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Number of staff with direct access to automated data and services	650	760	760	760
Number of computers/terminals	300	350	350	350
Number of functional areas supported by automation	75	100	100	100
Number of information requests processed	850	900	950	1,000
Number of inmate record inquiries received and answered according to data privacy regulations	7,250	7,500	7,750	8,000
Number of inmate base files retrieved for department and criminal justice use	2,500	2,600	2,700	2,800

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CORRECTIONS,DPT OF
PROGRAM : MANAGEMENT SERVICES
BUDGET ACTIVITY : INFO & ANALYSIS

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	662	681	696	0	696	696	696	0	696	696
EXPENSES/CONTRACTUAL SRVCS	303	310	312	112	424	424	312	122	434	434
MISC OPERATING EXPENSES	39	35	35	17	52	52	35	23	58	58
SUPPLIES/MATERIALS/PARTS	162	4	4	4	8	8	4	4	8	8
CAPITAL EQUIPMENT	342	417	133	55	188	192	133	705	838	458
REDISTRIBUTIONS	0	1	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	1,508	1,448	1,180	188	1,368	1,372	1,180	854	2,034	1,654
CHANGE REQUESTS:										
	FUND									
A COMPUTER TECHNOLOGY UPGRADE	GEN									
				188		192		854		474
TOTAL CHANGE REQUESTS				188		192		854		474
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,159	1,201	1,180	188	1,368	1,372	1,180	854	2,034	1,654
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	349	247	0	0	0	0	0	0	0	0
TOTAL FINANCING	1,508	1,448	1,180	188	1,368	1,372	1,180	854	2,034	1,654
POSITIONS BY FUND:										
GENERAL	18.0	18.0	18.0	0.0	18.0	18.0	18.0	0.0	18.0	18.0
TOTAL POSITIONS	18.0	18.0	18.0	0.0	18.0	18.0	18.0	0.0	18.0	18.0

AGENCY: SENTENCING GUIDELINES COMMISSION

1990-91 Biennial Budget

AGENCY PURPOSE:

The commission consists of 11 appointed members that represent the criminal justice system and public. The commission is required to develop, implement, and modify guidelines for sentencing convicted felons whose offenses occurred on or after 5-1-80. The guidelines are a major reform designed to increase sentencing uniformity and proportionality by indicating when state imprisonment is proper and provide a fixed presumptive sentence which is reduced only by good time.

The commission is required to monitor sentences imposed for felony offenders. The commission is also required to evaluate the effectiveness of the guidelines; study their impact on criminal justice system resources and processes, including plea negotiations; make recommendations to the legislature regarding improvements in dissemination of information on sentencing practices; and provide ongoing training in the use of the guidelines. The commission is authorized, but not required, to establish guidelines for nonimprisonment sanctions.

OPERATIONS AND CLIENTELE:

The Sentencing Guidelines Commission operates an information system which is used to monitor all felony sentences imposed in the state. The data generated from the monitoring system are used 1) to assess the effectiveness of the guidelines in achieving sentence uniformity and proportionality; 2) to determine the impact of legislative and commission proposals on prison populations; and 3) to project prison populations in conjunction with the Department of Corrections. The guidelines policies developed and modified by the commission are used by all Minnesota trial court judges in sentencing felony offenders. The commission also serves as a resource for probation officers and other criminal justice professionals in applying the guidelines.

OBJECTIVE:

To increase and maintain uniformity and proportionality in sentencing practices.

EFFECTIVENESS MEASURES:

<u>Monitoring System</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
# of New Cases	7,000	7,800	8,000	8,000
Error Rate in Sentencing Worksheets	20%	18%	17%	16%

ACTIVITY STATISTICS:

<u>1) Training:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Responses to Guidelines Questions	300	400	450	500
Training Sessions	6	7	10	10

ACTIVITY STATISTICS: (Contd.)

<u>2) Monitoring:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Inquiries to Correct Data	400	500	550	600
Requests for Departure Reports	500	500	500	500

BUDGET ISSUES:

The commission maintains 1 of the most sophisticated and complete criminal justice information systems in the state. It is also, by far, the least expensive criminal justice information system in the state. The commission is in the process of converting its information system from the University of Minnesota mainframe system to a micro computer system. This conversion of the information system from the University of Minnesota mainframe system to a micro computer system is supported by a recently acquired federal grant. A micro computer system will improve the timeliness of the data and enhance data analysis and reporting. It is anticipated that the agency will be able to produce more reports and respond more quickly and directly to requests for information. In addition, the volume of cases sentenced for felony convictions has been increasing significantly. While this will result in a definite increase in the workload of the agency, it is believed that a CHANGE level request will be unnecessary, at this time, because the micro computer system will be more cost-effective. It is expected that with this conversion, the commission's information system will be less expensive yet far more productive than a system which is dependent on the University of Minnesota mainframe system.

A second budget issue is related to a legislative directive passed by the 1988 legislature. The legislature directed the commission to determine whether and to what extent, nonimprisonment guidelines should be developed. If the commission and the legislature determine that guidelines for nonimprisonment sanctions should be implemented, training and printing costs will be an immediate concern. The commission has obtained federal monies to support these initial training and implementation costs and, therefore, no CHANGE level request will be necessary. If nonimprisonment guidelines are implemented sometime in the F.Y. 1990-91 biennium, a CHANGE level request may be necessary in the F.Y. 1992-93 biennium budget request.

EXPLANATION OF BUDGET REQUEST:

The BASE level budget is requested for all areas.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the BASE level funding of \$436,000 for the biennium.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : SENTENCING GDLNS COM
PROGRAM : MN SENTNCING GUIDELINE COM
BUDGET ACTIVITY : MN SENTNCING GUIDELINE COM

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	143	153	158	0	158	158	158	0	158	158
EXPENSES/CONTRACTUAL SRVCS	48	50	50	0	50	50	50	0	50	50
MISC OPERATING EXPENSES	4	6	6	0	6	6	6	0	6	6
SUPPLIES/MATERIALS/PARTS	1	2	2	0	2	2	2	0	2	2
CAPITAL EQUIPMENT	6	2	2	0	2	2	2	0	2	2
TOTAL EXPENDITURES	202	213	218	0	218	218	218	0	218	218
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	202	213	218	0	218	218	218	0	218	218
TOTAL FINANCING	202	213	218	0	218	218	218	0	218	218
POSITIONS BY FUND:										
GENERAL	4.0	4.0	4.0	0.0	4.0	4.0	4.0	0.0	4.0	4.0
TOTAL POSITIONS	4.0	4.0	4.0	0.0	4.0	4.0	4.0	0.0	4.0	4.0

AGENCY PURPOSE:

The Ombudsman for Corrections is an independent state agency, created by M.S. 241.41. The Ombudsman conducts investigations of inmate and staff complaints and makes recommendations to the Corrections Department, reports to the Governor, provides information to the legislature as requested and performs a variety of other program and policy functions related to the state and county correctional programs and facilities covered under the Community Corrections Act (M.S. 401).

OPERATIONS AND CLIENTELE:

Investigation of complaints is the major activity of the agency and includes all aspects of contact with inmates, corrections staff and the public. This involves resolution of concerns and disputes brought forth by individuals and making policy recommendations to corrections administrators, which serve to relieve penal institution tension and lessens the likelihood for disturbances by inmates, and serves to enhance the quality of operations in the corrections system. A priority is to maintain rapid response to individual complaints and quick case resolution.

OBJECTIVE:

To promote the highest attainable standards of competence, efficiency, and justice in the administration of corrections.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Total Caseload:	2,617	2,750	2,900	3,000

ACTIVITY STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Number of FY88 Intakes Opened for Investigation:	2,464	2,585	2,726	2,850
Number of Cases Resolved:	2,499	2,558	2,697	2,790
Cases Resolved within 0-15 Days:	1,873	1,919	2,023	2,093
Same Day Interview:	1,849	1,893	1,996	2,065
Policy Recommendations Made:	8	9	9	9
Served as Guardian ad litem at Inmate Commitment Hearings:	3	4	5	5

Governor's Recommendation:

The Governor recommends BASE level funding of \$718,000 and a biennial increase of \$15,000 for the 1990-91 budget.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : OMBUDSMAN FOR CORR
PROGRAM : OMBUDSMAN-CORRECTION
BUDGET ACTIVITY : OMBUDSMAN CORRECTION

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	297	304	310	0	310	310	310	0	310	310
EXPENSES/CONTRACTUAL SRVCS	28	30	30	7	37	35	30	7	37	35
MISC OPERATING EXPENSES	12	14	15	0	15	15	15	0	15	15
SUPPLIES/MATERIALS/PARTS	3	3	3	0	3	3	3	0	3	3
CAPITAL EQUIPMENT	0	2	1	6	7	6	1	0	1	1
TOTAL EXPENDITURES	340	353	359	13	372	369	359	7	366	364
CHANGE REQUESTS: FUND										
B OFFICE AUTOMATION COMPLETION					13			7		5
TOTAL CHANGE REQUESTS					13			7		5
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	340	353	359	13	372	369	359	7	366	364
TOTAL FINANCING	340	353	359	13	372	369	359	7	366	364
POSITIONS BY FUND:										
GENERAL	7.5	7.5	7.5	0.0	7.5	7.5	7.5	0.0	7.5	7.5
TOTAL POSITIONS	7.5	7.5	7.5	0.0	7.5	7.5	7.5	0.0	7.5	7.5

CHANGE REQUEST X Agency _____ Program _____ Activity _____ 1990-91 Biennial Budget

ACTIVITY: OMBUDSMAN FOR CORRECTIONS
 PROGRAM: OMBUDSMAN FOR CORRECTIONS
 AGENCY: OMBUDSMAN FOR CORRECTIONS

REQUEST TITLE: OFFICE AUTOMATION COMPLETION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 13	-0-	\$ 7	-0-

Governor's Recommendation

General Fund	\$ 10	-0-	\$ 5	-0-
--------------	-------	-----	------	-----

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

Request includes addition of necessary memory board, fixed disc, printer, software, and license/maintenance fee(s). This allows agency to continue rapid case resolution.

DESCRIPTION/BACKGROUND:

Four years ago the agency obtained an office automation system in an attempt to reduce staff time spent on paper work so that field investigators could improve upon quality of case resolution. Since then, and because the original amount granted was less than requested, it is necessary to expand present memory, purchase a printer, and purchase required license and maintenance contracts. Approximately \$6,000 of these amounts have had to be absorbed by cutting other needed expenses.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Total Caseload (includes carry overs)	2,617	2,750	2,900	3,000
Number of Cases Opened	2,585	2,755	2,755	2,850
Number of Cases Resolved	2,499	2,613	2,784	2,880
Number of Cases Resolved within 15 Days	1,873	1,980	2,099	2,256
Same Day Interviews	1,849	1,980	2,146	2,250
Policy Recommendations Made	8	9	11	12

Cases Opened

To increase to 95% that portion of the total caseload being in the "opened" category. This will reflect a numeric decline, but will reflect an improved percentage rate.

Cases resolved

Will allow us to maintain current 95% rate and increase it to 96% in later years.

Cases Resolved within 0-15 Days

While the total caseload declines, the number of cases quickly resolved will increase.

Same Day Interviews

It is planned that the percentage rate of same day interviews will rise from it present 70% to 75% in 1991.

Policy Recommendations

Because of increased ability to analyze data, the number of written policy recommendations will increase accordingly.

RATIONALE:

The Ombudsman's office automation system (OAS) is at its current memory capacity. Without additional memory to its OAS, the agency must revert to collecting and recording data using manual methods which would cause a slow-down in case resolution and add to case backlog. A recent reduction in a 1/2 time position would further complicate matters.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 4	\$ 6	\$ -0-	\$ -0-

LONG RANGE FUNDING IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	TOTAL
General Fund	\$ 7	\$ 7	\$ 14

GOVERNOR'S RECOMMENDATION:

This request has been reviewed by the Information Policy Office and recommended for funding at a level of \$15,000 for the biennium. The Governor concurs with the IPO recommendation.

1990-91 BIENNIAL BUDGET

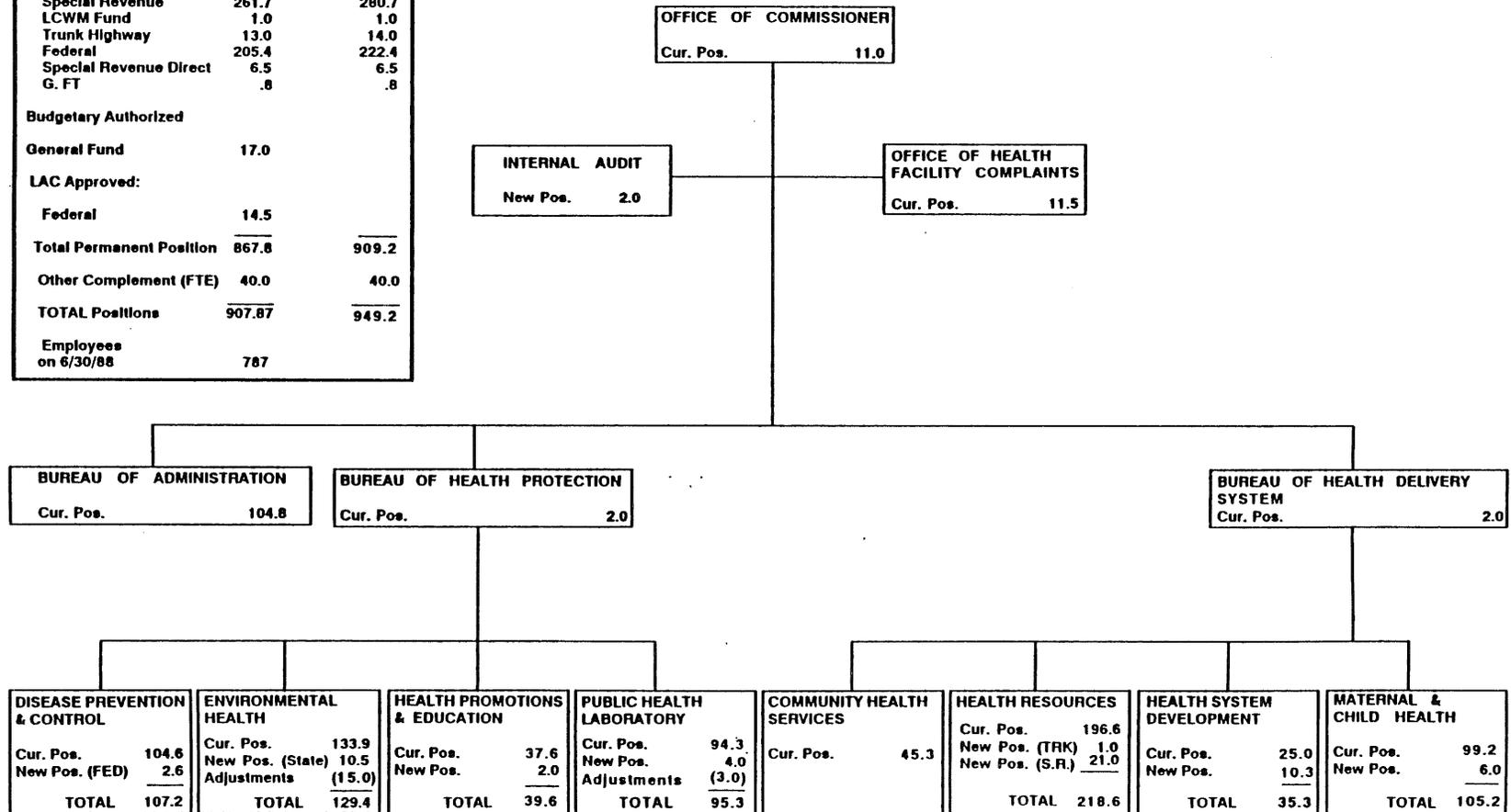
PROGRAM STRUCTURE

AGENCY: HEALTH, DEPARTMENT OF

<u>PROGRAM</u>	<u>ACTIVITIES</u>	<u>SECTION</u>	<u>PAGE</u>
		8	
PREVENTIVE AND PROTECTIVE HEALTH SERVICES -----	Disease Prevention and Health Promotion		11
	Public Health Laboratories		18
	Environmental Health		24
	Health Promotion and Education		38
HEALTH DELIVERY SYSTEMS -----	Maternal and Child Health		47
	Health Systems Development		54
	Health Resources		64
	Community Health Services		72
HEALTH SUPPORT SERVICES -----	General Support		78
	Health Information		83

DEPARTMENT OF HEALTH ORGANIZATION CHART 7/1/88

Position Reconciliation		
Authority:	Current FY 89	Requested For 6/30/91
Legislative Complement:		
General Fund	318.7	353.1
LCMR	-0	1.5
Public Health Fund	29.2	29.2
Special Revenue	261.7	280.7
LCWM Fund	1.0	1.0
Trunk Highway	13.0	14.0
Federal	205.4	222.4
Special Revenue Direct	6.5	6.5
G. FT	.8	.8
Budgetary Authorized		
General Fund	17.0	
LAC Approved:		
Federal	14.5	
Total Permanent Position	<u>867.8</u>	<u>909.2</u>
Other Complement (FTE)	40.0	40.0
TOTAL Positions	<u>907.87</u>	<u>949.2</u>
Employees on 6/30/88	787	



AGENCY PURPOSE:

As the lead health agency for the state, the Minnesota Department of Health (MDH) is responsible for developing and maintaining an organized system of programs and services for protecting, maintaining and improving the health of the citizens of Minnesota.

OPERATIONS AND CLIENTELE:

The mission of MDH is accomplished through a combination of regulatory activity, technical consultation and support for health-related programs and activities, funding support for other agencies and organizations engaged in doing the work of public health, the issuance of formal advisories on health problems and issues, education and information programs aimed at reducing health risks, and the direct provision of some health-related services to the public.

The clientele for these activities includes local health agencies, health care providers, community-based non-profit and voluntary organizations, and other public agencies and private sector organizations that make up the state's public health system. It also includes individuals, agencies and organizations impacted by regulatory activity, other government agencies and units of government, business firms that engage in activities of public health significance, and members of the general public.

Through the Division of Health Promotion and Education, and the Division of Disease Prevention and Control, MDH works to monitor, control, and ultimately reduce the occurrence of both chronic and infectious disease. These efforts include the routine investigation of infectious disease outbreaks in the state, and a program employing multiple strategies to prevent the spread of human immunodeficiency virus--the virus that causes AIDS--in Minnesota. MDH also operates programs aimed at preventing or controlling sexually transmitted diseases, dental disease and tuberculosis, and an immunization program for vaccine preventable diseases like measles. Other programs seek to examine the relationship between environmental exposure to toxic substances and the occurrence of disease, and a highly sophisticated surveillance system--now in its early stages of development--is used to monitor the incidence of cancer in the state. A variety of community-based education, information and health promotion strategies are used to encourage changes in individual behavior in areas like nutrition and tobacco use, in an effort to reduce the risk of chronic disease. Through its Environmental Health Division, MDH works to protect Minnesotans from health hazards in the environment. These efforts include safeguarding the quality of our drinking water, through the regulation of water well contractors, plumbers and public water supply systems and a recently expansion of public water supply. MDH works to protect the public against unnecessary or unsafe exposure to radiation, through activities like the licensing and inspection of x-rays and other radiation sources. Other programs seek to protect workers against exposure to environmental health hazards on the job, through activities like a recently established licensing program for asbestos removal contractors. MDH licenses and inspects food, beverage and lodging establishments in areas of the state where local agencies do not perform that function. The Environmental Health program has also placed an increasing emphasis on the issue of indoor air quality, through activities like enforcement of the Minnesota Clean Indoor Air Act, and expanded efforts to deal with the recently discovered problem of

radon exposure in homes and other buildings. Division staff are also responsible for assessing the potential health risks associated with exposure to environmental contaminants, and issuing appropriate health advisories to the public based on those findings.

The Health Resources and Health Systems Development Divisions seek to safeguard the quality of health care in Minnesota, while working to ensure that all Minnesotans have access to the health care services they need. MDH licenses, certifies or otherwise regulates hospitals, nursing homes, ambulance services, home care providers, hospice facilities, and health maintenance organizations in the state. MDH also conducts inspections to determine if health facilities are complying with standards for participation in federal Medicare and Medicaid programs, and conducts annual inspections of long term care facilities to determine the quality of care received by Medicaid patients. Classifies nursing home residents according to a "case mix" system, based on the amount of care they need -- and provides that information to the Minnesota Department of Human Services, for use in setting reimbursement rates under the Medicaid program. MDH also provides consultation and technical services to regulated health care providers. Other programs explore issues and policy options and develop recommendations in areas like health care cost containment, financial and geographic access to care, health care regulation and the regulation of health-related occupations.

The Maternal and Child Health Division administers the federal WIC program in Minnesota, providing supplemental food and other services to women, infants and children who are found to be at risk of developing nutrition-related health problems. Other programs provide direct services to children with handicapping conditions in the state, and provide technical consultation and support to health care providers and others who serve the health needs of mothers and children, in areas like reproductive health, child health screening, and human genetics. MDH programs are currently exploring issues like pediatric injury prevention, and actively working to lower Minnesota's infant death rate, by encouraging pregnant women to seek appropriate prenatal care.

Through its Community Health Services Division, MDH administers state subsidy funds for 47 city, county and multi-county health agencies in the state. MDH also reviews program plans developed by these local agencies, and provides them with technical support and planning assistance in a variety of program areas, including public health nursing. MDH maintains a system of 8 district offices at locations around the state, to provide local agencies with assistance in the conduct of local public health programs and to provide decentralized work stations for the regulatory activities conducted by the department.

The Division of Public Health Laboratories provides analysis of environmental samples for MDH and other government agencies, and provides clinical laboratory services in support of other MDH programs. MDH also provides technical support to other clinical laboratories in the state, providing confirmatory testing and other testing services not available at other labs.

In other areas, MDH maintains birth and death records for the state, and develops health-related statistical information from vital records and other sources. Vital records and statistical information are made available to health planners and members of the public.

AGENCY: HEALTH, DEPARTMENT OF
(Continuation)

1990-91 Biennial Budget

ATTORNEY GENERAL COSTS:

	(Dollars in Thousands)			
	Actual F.Y. 1988	Act/Est F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Fees for Legal Services Rendered				
Fee Assessed	\$ 185	\$ 200	-0-	-0-
Fee Paid	75	75	-0-	-0-
Requested Budget	75	75	75	75

EXPLANATION OF BUDGET REQUEST:

As listed on the following page, this budget request reflects a total biennial increase of \$18,989,000; \$18,001,000 in General Funds, \$738,000 in LCMR Funds and \$250,000 in Trunk Highway Funds, to continue Emergency Medical Services testing currently funded by the federal government. The General Fund request can be categorized in three general areas, including grants to local agencies of \$12,140,000, repairs and betterment of \$1,830,000 and operating costs of \$5,019,000. The General Fund change request for operations will generate an additional \$1,188,700 in fees to be deposited in the General Fund. The narratives contained in the document explain in more detail the agencies budget priorities.

INDEX	(Dollars in Thousands)		Page
	Agency Request 1990-91 Biennium All Funds	Governor's Recommendation 1990-91 Biennium All Funds	
BASE Level Request	\$ 203,681	\$ 203,681	
Transfer Public Health Fund to General Fund	-0-	-0-	6
BUDGET ACTIVITY CHANGE Requests			
Disease Prevention and Control			
AIDS Prevention			
- Community Health Services	4,695	-0-	15
- Case Management	1,080	1,080	16
Subtotal	\$ 5,775	\$ 1,080	
Public Health Laboratory			
Laboratory Equipment	700	500	21
Laboratory Quality Assurance	253	175	22
Employee Safety	100	-0-	23
Subtotal	\$ 1,053	\$ 675	
Environmental Health			
Water Well Management	2,973	2,973	27
Indoor Air Quality Program	369	261	28
Automated Data Capacity	161	-0-	29
Health Assessment for Air Toxic	159	112	30
EFS Travel Expense	100	100	31
X-Ray Inspection - Rqd. Frequencies	71	71	32
Abandoned Wells	200	200	33
Indoor Air	108	108	35
Pesticide Breakdown	330	330	34
Public Water Supply	3,661	3,661	36

INDEX	(Dollars in Thousands)		Page
	Agency Request 1990-01 Biennium All Funds	Governor's Recommendation 1990-91 Biennium All Funds	
Water Pollution Limits	160	160	37
Subtotal	\$ 8,292	\$ 7,976	
Health Promotion and Education			
Institute for Addiction and Stress	4,990	4,990	42
Dental Health Initiatives	345	345	43
Subtotal	\$ 5,335	5,335	
Maternal and Child Health			
Childhood Injury Reduction	512	512	52
Infant Mortality Reduction	348	348	51
Lead-Free Children	100	100	53
Subtotal	\$ 960	960	
Health Systems Development			
Health Care Information	1,103	606	59
Medical Care Planning	355	355	61
Health Plan Competition	174	174	62
Rgstr. System Revolving Fund	104	104	58
Acupuncture Regulation	17	-0-	63
Subtotal	\$ 1,753	1,239	
Health Resources			
EMS Training Programs	250	250	68
Poison Information Centers	800	800	69
Trf. EMS Funding	-0-	-0-	71
Subtotal	\$ 1,050	1,050	
Community Health Services			
CHS Subsidy	5,565	5,565	75
Subtotal	\$ 5,565	\$ 5,565	
General Support			
Repairs and Betterment - General	1,830	-0-	81
Internal Auditing	160	80	82
Subtotal	\$ 1,990	80	
CHANGE Requests Subtotal	\$ 31,773	\$ 23,960	
AGENCY Total	\$ 235,454	\$ 227,641	

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HEALTH,DEPT OF

PROGRAM EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
HEALTH PROTECTION	16,956	20,642	19,835	9,721	29,556	26,919	19,835	10,734	30,569	27,817
HEALTH DELIVERY SYST	66,572	73,869	75,058	3,352	78,410	78,271	75,058	5,976	81,034	80,659
SUPPORT SERVICES	6,381	6,878	6,943	1,130	8,073	6,983	6,952	860	7,812	6,992
TOTAL EXPENDITURES	89,909	101,389	101,836	14,203	116,039	112,173	101,845	17,570	119,415	115,468
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	31,841	35,974	33,658	13,714	47,372	46,574	33,667	17,071	50,738	49,859
SP REV DIRECT APPROP	0	321	355	0	355	355	355	0	355	355
MN RESOURCES	0	0	0	364	364	364	0	374	374	374
PUBLIC HEALTH	3,585	3,697	3,718	0	3,718	0	3,718	0	3,718	0
TRUNK HIGHWAY	668	713	713	125	838	1,488	713	125	838	1,488
METRO LANDFILL CONTN	147	166	167	0	167	167	167	0	167	167
STATUTORY APPROPRIATIONS:										
GENERAL	409	191	196	0	196	196	196	0	196	196
PUBLIC HEALTH	11	0	0	0	0	0	0	0	0	0
SPECIAL REVENUE	10,216	11,509	11,509	0	11,509	11,509	11,509	0	11,509	11,509
FEDERAL	43,010	48,762	51,464	0	51,464	51,464	51,464	0	51,464	51,464
GIFTS AND DEPOSITS	22	56	56	0	56	56	56	0	56	56
TOTAL FINANCING	89,909	101,389	101,836	14,203	116,039	112,173	101,845	17,570	119,415	115,468
POSITIONS BY FUND:										
GENERAL	307.2	337.7	321.8	75.8	397.6	418.3	321.8	76.3	398.1	417.8
SP REV DIRECT APPROP	1.0	6.5	6.5	0.0	6.5	6.5	6.5	0.0	6.5	6.5
MN RESOURCES	0.0	0.0	0.0	2.0	2.0	2.0	0.0	1.5	1.5	1.5
PUBLIC HEALTH	30.1	29.2	29.2	0.0	29.2	0.0	29.2	0.0	29.2	0.0
SPECIAL REVENUE	265.8	261.7	280.7	0.0	280.7	280.7	280.7	0.0	280.7	280.7
TRUNK HIGHWAY	13.0	13.0	13.0	1.0	14.0	14.0	13.0	1.0	14.0	14.0
FEDERAL	221.2	217.4	219.9	0.0	219.9	219.9	219.9	0.0	219.9	219.9
METRO LANDFILL CONTN	1.0	1.0	1.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0
GIFTS AND DEPOSITS	1.0	0.8	0.8	0.0	0.8	0.8	0.8	0.0	0.8	0.8
TOTAL POSITIONS	840.3	867.3	872.9	78.8	951.7	943.2	872.9	78.8	951.7	942.2

CHANGE REQUEST _____ 1990-91 Biennial Budget
 Agency _____ Program _____ Activity

ACTIVITY: HEALTH, DEPARTMENT OF
 PROGRAM: HEALTH, DEPARTMENT OF
 AGENCY: HEALTH, DEPARTMENT OF

REQUEST TITLE: TRANSFER PUBLIC HEALTH FUND TO GENERAL FUND

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Governor's Recommendation				
General Fund	\$ 3,718	29.2	\$ 3,718	29.2
Public Health Fund	\$(3,718)	(29.2)	\$(3,718)	(29.2)

Request requires statutory change: Yes _____ No
 Statutes Affected: M S 1988, Chapter 297.13

DESCRIPTION/BACKGROUND:

The Public Health Fund was created by the legislature in 1985 with revenues from a portion of the cigarette tax. At that time, programs in the Departments of Health, Education, and the Pollution Control Agency were funded from the Public Health Fund. In the 1988 legislative session, an increase to the cigarette tax generated additional revenue to the Public Health Fund to support the newly created Children's Health Plan.

RATIONALE:

In a special report published by the Department of Finance in October of 1988, it is recommended that a number of special funds be consolidated into the General Fund. The reasons given for consolidation include a concern over the complexity and confusion created by a growing number of special funds and a concern over the stability of particular funding sources that are used to finance ongoing agency programs. At this time there is no immediate threat to the stability of cigarette tax revenues to the Public Health Fund, but a review of program expenditures coupled with declining cigarette tax estimates call the future viability of the Fund into question.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the consolidation of the Public Health Fund with the General Fund. As a result of this recommendation, \$7,436,000 and 29.2 positions are transferred to the General Fund for the biennium.

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PROGRAM: PREVENTIVE AND PROTECTIVE HEALTH SERVICES 1990-91 Biennial Budget
Agency: HEALTH, DEPARTMENT OF

PROGRAM PURPOSE:

The program of Preventive and Protective Health Services administers available public resources to achieve the highest level of health possible for the greatest number of people. Each of the program's 4 activities attempts to prevent or eliminate conditions associated with sickness, injury, or death or to promote conditions associated with health.

OPERATION:

This program includes the following activities:

1. The Disease Prevention and Control activity maintains statewide surveillance of communicable and chronic disease; identifies and investigates outbreaks or unusual disease problems; assures that prompt and appropriate control measures are instituted to control or eliminate the spread of disease; provides epidemiologic consultation, training, and programs for control of AIDS, HIV infection, vaccine preventable disease, venereal disease, tuberculosis, cancer, heart disease, and other conditions.
2. The Public Health Laboratories activity provides physical, chemical, and radiologic analyses on materials such as air, water, sludge, wastewater, sediment, soil, tissue and toxic and hazardous materials; testing services for infectious, chronic, metabolic and hereditary diseases as an integral part of the Department's disease prevention and control programs; reference and verification testing; and a statewide certification and quality assurance program for other environmental labs.
3. The Environmental Health activity protects the public's health and safety from threats in the environment. It provides this protection through a combination of enforcement of state and federal standards, provision of technical consultation, and monitoring of health threatening environmental conditions. Specific responsibilities lie in the areas: of occupational health; water supply monitoring; radiation control; health risk quantifications; regulation of hotels, resorts, restaurants, and other public facilities; and promotion of local environmental health programs.
4. The Health Promotion and Education activity is charged with providing leadership and programs in the prevention of chronic diseases (such as cancer, heart disease, diabetes, stroke, and dental caries) by encouraging behaviors that decrease health risk. Specific health risk factors targeted by this activity include smoking, nutrition, and dental hygiene. The activity fulfills its mission by linking centralized expertise with mass media campaigns and community-based delivery mechanisms.

EXPLANATION OF BUDGET REQUEST:

Needs relating to AIDS addressed in this budget include the provision of direct care to persons with AIDS and the funding of local AIDS prevention services.

The analytical results of the Public Health Labs are becoming increasingly significant in regulatory and enforcement proceedings. Funds are being requested to allow the labs to upgrade their quality assurance and data management procedures and replace worn out and obsolete equipment. These measures will help the labs provide timely and accurate information to its public health and environmental clients while controlling costs.

The proposed budget envisions a strengthening of the program's ability to respond to the significant number of report problems associated with indoor air quality, including radon and asbestos.

GOVERNOR'S RECOMMENDATION:

The Governor recommends a general fund BASE of \$18,010,000 and a biennial increase of \$14,428,000 for the 1990-91 biennial budget.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HEALTH,DEPT OF
PROGRAM : HEALTH PROTECTION

ACTIVITY EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DIS PREV & CONTROL	5,357	7,536	7,419	2,717	10,136	7,779	7,419	3,058	10,477	8,139
A TRANSFER PUBLIC HEALTH FUND TO GENERAL				0		16		0		16
A TRANSFER PUBLIC HEALTH FUND TO GENERAL				0		<16>		0		<16>
B AIDS-PREVENTION-CHS				2,357		0		2,338		0
B AIDS FINANCING-CASE MANAGEMENT				360		360		720		720
PUBLIC HEALTH LABS	4,196	4,345	4,146	543	4,689	4,601	4,146	510	4,656	4,366
B LABORATORY EQUIPMENT				350		350		350		150
B QUALITY ASSURANCE/DATA MANAGEMENT				143		105		110		70
B EMPLOYEE SAFETY				50		0		50		0
ENVIRONMENTAL HEALTH	4,881	5,910	5,376	4,300	9,676	9,484	5,376	3,992	9,368	9,244
A TRANSFER PUBLIC HEALTH FUND TO GENERAL				0		30		0		30
A TRANSFER PUBLIC HEALTH FUND TO GENERAL				0		<30>		0		<30>
B WATER WELL MANAGEMENT PROGRAM				1,470		1,470		1,503		1,503
B INDOOR AIR QUALITY PROGRAM				193		137		176		124
B AUTOMATED DATA CAPABILITY				111		0		50		0
B ASSESSMENT FOR INCINERATORS/AIR TOXICS				82		57		77		55
B FIELD SERVICES TRAVEL EXPENSES				50		50		50		50
B X-RAY INSPECTION-REQUIRED FREQUENCIES				35		35		36		36
B ABANDONED WATER/MONITORING WELLS TECH				50		50		150		150
B PESTICIDE BREAKDOWN IN GROUNDWATER				208		208		122		122
B INDOOR AIR QUALITY ASSESSMENT PROTOCOL				56		56		52		52
B PUBLIC WATER SUPPLY SURVEILLANCE				1,965		1,965		1,696		1,696
B WATER POLLUTION LIMITS				80		80		80		80
HEALTH PROMOTION & EDUC	2,522	2,851	2,894	2,161	5,055	5,055	2,894	3,174	6,068	6,068
A TRANSFER PUBLIC HEALTH FUND TO GENERAL				0		1,719		0		1,719
A TRANSFER PUBLIC HEALTH FUND TO GENERAL				0		<1,719>		0		<1,719>
B INSTITUTE FOR ADDICTION/STRESS RESEARCH				1,986		1,986		3,004		3,004
B DENTAL HEALTH INITIATIVE				175		175		170		170

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HEALTH,DEPT OF
PROGRAM : HEALTH PROTECTION

ACTIVITY EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
TOTAL EXPENDITURES	16,956	20,642	19,835	9,721	29,556	26,919	19,835	10,734	30,569	27,817
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	7,722	9,664	8,809	9,407	18,216	17,344	8,809	10,410	19,219	18,232
SP REV DIRECT APPROP	0	221	255	0	255	255	255	0	255	255
MN RESOURCES	0	0	0	314	314	314	0	324	324	324
PUBLIC HEALTH	1,709	1,757	1,765	0	1,765	0	1,765	0	1,765	0
TRUNK HIGHWAY	45	61	61	0	61	61	61	0	61	61
METRO LANDFILL CONTN	128	144	145	0	145	145	145	0	145	145
STATUTORY APPROPRIATIONS:										
GENERAL	352	191	196	0	196	196	196	0	196	196
SPECIAL REVENUE	1,699	1,675	1,675	0	1,675	1,675	1,675	0	1,675	1,675
FEDERAL	5,280	6,910	6,910	0	6,910	6,910	6,910	0	6,910	6,910
GIFTS AND DEPOSITS	21	19	19	0	19	19	19	0	19	19
TOTAL FINANCING	16,956	20,642	19,835	9,721	29,556	26,919	19,835	10,734	30,569	27,817
POSITIONS BY FUND:										
GENERAL	164.1	184.1	168.2	58.0	226.2	231.9	168.2	58.0	226.2	231.9
SP REV DIRECT APPROP	1.0	6.5	6.5	0.0	6.5	6.5	6.5	0.0	6.5	6.5
MN RESOURCES	0.0	0.0	0.0	2.0	2.0	2.0	0.0	1.5	1.5	1.5
PUBLIC HEALTH	11.1	10.2	10.2	0.0	10.2	0.0	10.2	0.0	10.2	0.0
SPECIAL REVENUE	57.0	37.5	35.5	0.0	35.5	35.5	35.5	0.0	35.5	35.5
TRUNK HIGHWAY	2.0	2.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0
FEDERAL	124.4	127.8	130.3	0.0	130.3	130.3	130.3	0.0	130.3	130.3
METRO LANDFILL CONTN	1.0	1.0	1.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0
GIFTS AND DEPOSITS	1.0	0.8	0.8	0.0	0.8	0.8	0.8	0.0	0.8	0.8
TOTAL POSITIONS	361.6	369.9	354.5	60.0	414.5	410.0	354.5	59.5	414.0	409.5

1990-91 Biennial Budget

FEDERAL GRANT TITLE: PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT
 AGENCY: HEALTH, DEPARTMENT OF
 STATE LEGAL AUTHORITY: MINNESOTA STATUTES, SECTION 144.05

GRANT OBJECTIVES:

These block grant funds are intended by federal law to be used for the following:

1. Preventive health service programs for the control of rodents, and community and school-based fluoridation programs;
2. Establishing and maintaining preventive health service programs for screening for, the detection, diagnosis, prevention, and referral for treatment of, and follow-up on compliance with treatment prescribed for, hypertension;
3. Community-based programs for the purpose of demonstrating and evaluating optimal methods for organizing and delivering comprehensive preventive health services to defined populations, comprehensive programs designed to deter smoking and the use of alcoholic beverages among children and adolescents, and other risk reduction and health education programs;
4. Comprehensive public health services;
5. Demonstrate the establishment of home health agencies (as defined in section 1861(m) of the Social Security Act) in areas where the services of such agencies are not available. Amounts provided for such agencies may not be used for the direct provision of health services;
6. Feasibility studies and planning for emergency medical services systems and the establishment, expansion, and improvement of such systems. Amounts for such systems may not be used for the costs of the operation of the systems or the purchase of equipment for the systems; and
7. Providing services to rape victims and for rape prevention.

FEDERALLY PERMITTED USES AND USE RESTRICTIONS:

For federal F.Y. 1983 and beyond, the legislature must hold public hearings on the intended use of funds. Funds may not be used for:

1. inpatient services;
2. cash payment to intended recipients of health services;
3. capital expenditures;
4. satisfy matching requirements of other federal funds;
5. supplanting state, local and other nonfederal funds;
6. direct provision of health services in home health agencies;
7. the purchase of equipment or the cost of operating emergency medical service systems.

ANTICIPATED RECEIPT DATES:

The department anticipates that federal appropriations will remain constant in federal F.Y.'s 1989, 1990 and 1991; however, in the event that the Gramm-Rudman-Hollings Balanced Budget Act must be used to balance the federal budget, the available amount will be less. The federal fiscal year begins on October 1 and ends on September 30. Dollar amounts contained in this document reflect estimates based on the state fiscal year. Projections are based on current federal appropriations. It is anticipated that resources will not allow continuation of all activities at current levels without increases for inflation.

FEDERAL GRANT USE	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
I. Financial Assistance to Individuals or Political Subdivisions				
Budget Activities:				
Health Resources	\$ 514	\$ 325	\$ 325	\$ 325
General Support	47	62	62	62
Subtotal	\$ 561	\$ 387	\$ 387	\$ 387
II. State Agency Operations				
Budget Activities:				
Disease Prevention and Control	\$ 450	\$ 484	\$ 484	\$ 484
Public Health Laboratories	430	422	422	422
Environmental Health	427	454	454	454
Health Promotion & Education	139	175	175	175
Community Services	282	291	291	291
Health Information	70	73	73	73
General Support	242	267	267	267
Subtotal	\$ 2,040	\$ 2,166	\$ 2,166	\$ 2,166

Total \$ This Grant	\$ 2,601	\$ 2,553	\$ 2,553	\$ 2,553
Required State/Local Match	-0-	-0-	-0-	-0-
Agency Complement (FTE)				
Funded by this Grant	\$ 45.6	\$ 45.6	\$ 45.6	\$ 45.6

ACTIVITY: DISEASE PREVENTION AND CONTROL 1990-91 Biennial Budget
Program: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
Agency: HEALTH, DEPARTMENT OF

PURPOSE:

Develop and implement programs, conduct epidemiologic research, and promote improved individual health in order to reduce or prevent the morbidity and mortality associated with acute and chronic diseases in Minnesota.

The Disease Prevention and Control Activity monitors disease occurrence, conducts programs to control communicable disease and improve the health status of individuals, and provides technical assistance and information to local health agencies, private physicians, and the public. A major responsibility of this activity is responding to the AIDS epidemic and initiating programs to prevent the transmission of this virus. Through this activity, the department maintains statewide surveillance of communicable and chronic disease; identifies and investigates outbreaks of unusual disease; provides epidemiologic consultation, training, and information to physicians and other health workers; conducts specific programs for control of vaccine-preventable disease, sexually transmitted disease (STD), tuberculosis (TB), cancer, and other conditions. This activity is responsible for publishing the Disease Control Newsletter which is sent to all physicians, hospitals, and public health agencies 10 times a year and has proven to be the most effective and efficient communication tool for dissemination of recent changes in disease control recommendations to the practicing medical community. This activity has also provided coordination for policy development and technical support to other areas of state government relating to the AIDS epidemic. This activity is divided into 5 sections.

1. Chronic Disease and Environmental Epidemiology: Identifies and quantifies patterns of chronic disease in the Minnesota population in relation to environmental and behavioral causes. The section maintains surveillance of selected chronic diseases and conducts epidemiologic investigations of populations exposed to cancer-causing agents. It provides regular epidemiologic analysis of chronic disease patterns in the state and assists in the design of prevention and control programs. This section is implementing a statewide cancer surveillance system established by the 1987 legislature.
2. Acute Disease Programs: Aims its programs at reducing the incidence of TB, STD, and vaccine-preventable diseases and at assuring that refugees arriving in Minnesota are free of health conditions which could affect the public's health or their personal well-being. To accomplish this, the section coordinates the provision of health screening services and necessary treatment for newly arrived refugees; assures the maintenance of high immunization levels among the newborn population; maintains statewide surveillance of TB incidence; identifies unusual problems or outbreaks; assures that prompt and appropriate control measures are instituted to control or eliminate the spread of TB; and provides screening and surveillance services, counseling, epidemiologic follow-up, diagnosis, treatment, and educational services in order to prevent disease or interrupt transmission of a variety of STDs.
3. Acute Disease Epidemiology: Maintains statewide surveillance of acute or communicable disease occurrence, investigates unusual problems or outbreaks promptly, assures that outbreak control measures are instituted, and provides expert epidemiologic consultation and training to health personnel. This section is responsible for the surveillance, epidemiolo-

gic studies, training, and technical consultation for AIDS and related conditions in Minnesota. Projections for AIDS cases in 1991 will be based on survey information collected during F.Y. 1989 as part of the Centers for Disease Control efforts to establish baseline data.

4. Disease Prevention and Control Field Services: Provides support to the other sections of the division through five epidemiologists stationed throughout the state. The field epidemiologists provide training and technical consultation to health providers and the community relating to AIDS, and conduct epidemiologic studies regarding AIDS and other infectious diseases in greater Minnesota.
5. AIDS Prevention Services: Develops and carries out a variety of prevention activities aimed at controlling the spread of human immunodeficiency virus (HIV), the virus that causes AIDS. This section includes establishing and monitoring counseling and testing sites throughout the state, conducting contact notification efforts aimed at sex and needle-sharing partners of people infected with HIV, initiating, sponsoring, and monitoring through grants a variety of organizations which provide targeted behavior change programs to gay or bisexual men, prostitutes, adolescents engaged in high risk behaviors and communities of color. Information, written materials about AIDS, and technical consultation is provided by this section to local health departments, state agencies, businesses, churches, schools, voluntary organizations, and the public.

PERFORMANCE INDICATORS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
<u>Chronic Disease Epidemiology</u>				
No. of cancer clusters investigated	44	60	80	100
No. of cancers registered	5,000	5,000	22,000	22,000
<u>Acute Disease Programs</u>				
No. of cases reported of:				
measles	11	10	8	6
mumps	226	100	80	60
pertussis	41	50	60	70
new active tuberculosis	101	90	95	100
uncomplicated gonorrhea	3,918	3,800	3,500	3,500
Penicillinase-producing <u>Neisseria gonorrhoea</u>	36	25	20	20
infectious syphilis	51	50	40	35
gonococcal pelvic inflammatory disease	98	90	80	75
Lowest immunization level (%) in K-12	99.2	99.4	99.4	99.4
TB cases under supervision	187	170	180	190
No. of persons on preventive treatment for TB	964	1,000	1,100	1,200
No. of doses of vaccine distributed	331,253	325,000	325,000	325,000
Percent newly arrived refugees with documented health assessment	91.0	90.0	90.0	90.0

ACTIVITY: DISEASE PREVENTION AND CONTROL
Program: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
Agency: HEALTH, DEPARTMENT OF

1990-91 Biennial Budget

PERFORMANCE INDICATORS (Continued):

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
<u>Acute Disease Epidemiology</u>				
New cases of AIDS	133	250	410	-
cumulative cases of AIDS	378	630	1,040	-
Large outbreaks investigated (>10 person hours)	70	70	70	70
Data on individual cases obtained and analyzed	14,277	15,000	15,000	15,000
Implemented control measures	250	250	250	250
<u>DP and C Field Services</u>				
Data on individual cases obtained and analyzed				
Immunization	130	140	140	130
Sexually Transmitted Disease	1,150	1,150	1,150	1,150
Tuberculosis	250	250	200	200
Other communicable disease outbreaks	550	550	600	600
Technical consultation to health professionals and local health agencies	2,400	2,500	2,600	2,700
<u>AIDS Prevention Services</u>				
Number of state supported counseling and testing sites	7	20	28	29
Number of individuals tested	6,859	13,032	15,000	16,500
Number of community risk reduction projects	9	18	18	18
Number of individuals engaged in high risk behavior counseled by risk reduction projects	16,000	22,175	24,400	27,400
Number of community education projects	11	14	7	7
Number of individuals reached by community education projects	40,400	61,000	24,500	26,950
Number of calls to Minnesota AIDS HOTLine	8,500	10,000	10,000	10,000
Number of individuals followed-up by contact notification unit	600	900	1,800	2,500

REVENUE:

This activity does not generate revenue.

Grants and Aids:

1. AIDS Prevention

The purpose of this grant program is to enable agencies to conduct AIDS prevention and risk reduction programs in four priority areas:

1. target risk reduction/education to people most at risk for HIV infection

- and AIDS,
2. model community organization efforts that result in targeted community education,
3. centralized AIDS information system, and
4. toll free local hotline services.

Certain grants are targeted especially at youth at high risk of HIV infection, at communities of color, or at efforts to determine knowledge, attitudes and behavior regarding AIDS. To receive funds under this program, an agency must agree to address these priorities, collect data, and establish a reporting system which will allow for an assessment of program effectiveness. Other grants fund counseling and test sites which enable people to learn if they are positive for antibody to HIV, the virus that causes AIDS.

<u>Grants by Fund</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General	\$ 347	\$ 892	\$ 1,000	\$ 1,100
Federal	\$ 613	\$ 1,131	\$ 1,131	\$ 1,131

2. Refugee

The purpose of this grant program is to assist local health agencies in providing health assessments and follow-up activities to refugees for problems of public health concern. Health assessments of refugees are intended to identify and lead to the treatment of health conditions which could affect the public health or the personal well-being of the refugee population and impede their effective resettlement. In order to receive funds for this program, an agency must agree to directly contact or refer each newly resettled refugee for a health assessment and treatment, follow-up on all identified acute disease problems, collect data which reflect the health services provided, and submit completed screening forms to the department.

<u>Grants by Fund</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Federal	\$ 75	\$ 65	\$ 60	\$ 60

BASE REVIEW:

A base level review has been completed on AIDS. This review is a separate submission to the legislature.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HEALTH,DEPT OF
PROGRAM : HEALTH PROTECTION
BUDGET ACTIVITY : DIS PREV & CONTROL

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	2,668	3,705	3,731	0	3,731	3,731	3,731	0	3,731	3,731
EXPENSES/CONTRACTUAL SRVCS	806	1,895	1,758	0	1,758	1,758	1,758	0	1,758	1,758
MISC OPERATING EXPENSES	170	207	201	0	201	201	201	0	201	201
SUPPLIES/MATERIALS/PARTS	159	204	204	0	204	204	204	0	204	204
CAPITAL EQUIPMENT	278	49	49	0	49	49	49	0	49	49
REDISTRIBUTIONS	26	0	0	0	0	0	0	0	0	0
STATE OPERATIONS	4,107	6,060	5,943	0	5,943	5,943	5,943	0	5,943	5,943
LOCAL ASSISTANCE	1,250	1,476	1,476	2,717	4,193	1,836	1,476	3,058	4,534	2,196
TOTAL EXPENDITURES	5,357	7,536	7,419	2,717	10,136	7,779	7,419	3,058	10,477	8,139
CHANGE REQUESTS: FUND										
A TRANSFER PUBLIC HEALTH FUND TO GENERAL	GEN			0		16		0		16
A TRANSFER PUBLIC HEALTH FUND TO GENERAL	PHLT			0		<16>		0		<16>
B AIDS-PREVENTION-CHS	GEN			2,357		0		2,338		0
B AIDS FINANCING-CASE MANAGEMENT	GEN			360		360		720		720
TOTAL CHANGE REQUESTS				2,717		360		3,058		720
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	2,753	3,722	3,605	2,717	6,322	3,981	3,605	3,058	6,663	4,341
PUBLIC HEALTH	15	16	16	0	16	0	16	0	16	0
TRUNK HIGHWAY	45	61	61	0	61	61	61	0	61	61
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	30	0	0	0	0	0	0	0	0	0
FEDERAL	2,493	3,718	3,718	0	3,718	3,718	3,718	0	3,718	3,718
GIFTS AND DEPOSITS	21	19	19	0	19	19	19	0	19	19
TOTAL FINANCING	5,357	7,536	7,419	2,717	10,136	7,779	7,419	3,058	10,477	8,139

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HEALTH,DEPT OF
PROGRAM : HEALTH PROTECTION
BUDGET ACTIVITY : DIS PREV & CONTROL

SOURCES OF FINANCING:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
POSITIONS BY FUND:										
GENERAL	43.3	45.8	45.9	0.0	45.9	46.2	45.9	0.0	45.9	46.2
PUBLIC HEALTH	0.3	0.3	0.3	0.0	0.3	0.0	0.3	0.0	0.3	0.0
SPECIAL REVENUE	0.3	1.0	1.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0
TRUNK HIGHWAY	2.0	2.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0
FEDERAL	48.4	54.7	57.2	0.0	57.2	57.2	57.2	0.0	57.2	57.2
GIFTS AND DEPOSITS	1.0	0.8	0.8	0.0	0.8	0.8	0.8	0.0	0.8	0.8
TOTAL POSITIONS	95.3	104.6	107.2	0.0	107.2	107.2	107.2	0.0	107.2	107.2

CHANGE REQUEST _____ Agency X Program _____ Activity 1990-91 Biennial Budget

ACTIVITY: DISEASE PREVENTION AND CONTROL
 PROGRAM: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
 AGENCY: HEALTH, DEPARTMENT OF

REQUEST TITLE: AIDS PREVENTION - COMMUNITY HEALTH SERVICES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$2,357	-0-	\$2,338	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 1986, Chapter 145A

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollar amount in order to provide funding for AIDS prevention programs throughout Minnesota through the Community Health Services (CHS) system. The objectives of these services would be to develop community organization and education programs that would prevent further spread of HIV.

DESCRIPTION/BACKGROUND:

Community Health Boards have been requested to undertake the following activities in regard to HIV prevention:

1. appoint an HIV resource person,
2. take a leadership role in assuring that there is appropriate and sufficient community education including establishing a representative community task force on HIV,
3. stimulate and coordinate the development of local resources for dealing with HIV related situations,
4. lead the community in understanding the real and present danger posed by the HIV epidemic,
5. develop and adopt sound personnel and other related policies dealing with HIV infection. Many of the agencies have responded to this charge and are beginning to undertake these programs. Funding is required by all agencies in order that comprehensive general public education and prevention activities are undertaken statewide. The funding request is a formula that provides a minimum allocation to each CHS agency and additional amounts based on the population of each CHS area and which accounts for the number of counties in each respective CHS jurisdiction.

RATIONALE:

An organized community response to the HIV epidemic is a necessary component of a statewide prevention effort and ideally begins long before the first

AIDS case or before the first HIV-infected individual is identified in the community. This community organization model is inherent in a traditional public health approach to preventing and solving community public health problems.

The Community Health Services system can be an effective means of providing a comprehensive range of prevention and care services by drawing together existing community organizations in a cooperative effort. A comprehensive, systematic program, organized and supported by the CHS system would utilize key community leaders, conduct needs assessments to identify priority problems, and provide a planned variety of education programs.

This leadership role for CHS will reduce duplication and gaps in program services and result in an understanding and supportive environment for general educational programs, targeted risk reduction and services for people affected by HIV disease. Unlike the panicked reactions evidenced in other states, Minnesota has already shown its ability to effectively and rationally anticipate and respond to the devastating impact of AIDS. This rational response needs to be established statewide.

In order to prevent the spread of HIV, large scale community behavior changes must occur. Several behavior change programs have been initiated and funded that target certain groups at highest risk. The focus for HIV prevention efforts must be on changing the behaviors of any adult or adolescent, including certain sexual and needle-sharing behaviors that put people at risk. Local public health leadership is critical in developing these statewide, community-based education and behavior change programs. Training, guidelines, and close technical consultation have been and will continue to be provided by MDH to assure a consistent message and approach statewide. The department is currently contracting with CHS agencies for AIDS prevention services through the request for proposal process, which would discontinue if the CHANGE request is approved.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 46	\$ 62	\$ 62	\$ 62

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 2,400	\$ 2,400	\$4,800

GOVERNOR'S RECOMMENDATION:

The Governor does not support the agency's request for this item. However, in a separate request, the Governor's recommendation calls for full funding of the CHS subsidy. AIDS prevention efforts would certainly be an appropriate priority area for use of the increased funding by the CHS agencies.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: DISEASE PREVENTION AND CONTROL
 PROGRAM: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
 AGENCY: HEALTH, DEPARTMENT OF

REQUEST TITLE: AIDS FINANCING -- CASE MANAGEMENT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 360	-0-	\$ 720	-0-
Governor's Recommendation				
General Fund	\$ 360	-0-	\$ 720	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

A pilot comprehensive case management system for individuals infected with human immunodeficiency virus (HIV) is proposed. This pilot project would provide services to approximately 500 individuals infected with HIV and would be closely coordinated with medical case management which is currently funded by the Department of Human Services using Medicaid administration funds.

To control the spread of HIV, many persons, especially those who are infected with HIV, must change or modify their behavior. Many will be able to accomplish this on their own, but many will need support from their private physician and/or other health or service provider. For these reasons, it is important that appropriate medical and psychosocial services be available to all individuals who are HIV-infected regardless of their ability to pay.

Currently the state provides confidential counseling and testing services free of charge at seven sites throughout Minnesota. Follow-up with HIV-infected individuals for purposes of counseling them about their infection and notifying sex or needle-sharing partners is also provided free of charge by the MDH disease investigation staff. These services, however, are only short-term; frequently clients require longer term support due to the behavioral and psychological stresses and complexities of HIV infection. Many clients are now returning to test sites or to disease investigation staff for that support and assistance. These sites and staff are not prepared or trained to deal with these clients' long-term needs.

The information that one has a fatal disease and has a high probability of debilitating illness and death can seriously affect a person's usual responses and behavior. This can disrupt his or her ability to make behavior changes that reduce transmission of HIV. Because an HIV-infected individual must modify behavior to prevent exposing others to the virus, behavior change is an important component of reducing and eventually stopping the HIV epidemic. A comprehensive system of support that assists an individual to make and sustain appropriate behavior changes may result in significant reductions in further transmission of the virus.

One method for providing that comprehensive support system is a case management program available to each HIV-infected individual. Such a program would occur after traditional disease investigation follow-up (counseling the person about HIV infection and the notification of previous sex or needle-sharing partners) and would consist of:

- an initial comprehensive assessment of the individual, current and future service needs, and his/her need for case management services;
- the development of an initial and periodically updated prevention plan that addresses physical, medical, behavioral, social, economic, and psychological knowledge and issues related to HIV and its transmission;
- referral to appropriate community resources for assistance in meeting identified needs, with assurances that client has followed up with referrals;
- advocacy in working with agencies, mental health services, legal services, work places, and the community for obtaining culturally and ethnically appropriate services and for solving problems related to employment, eligibility for services, and the appropriate response of service providers;
- assistance in identifying barriers to modifying behavior with referrals to mental health services, alternative living sites, support groups, or other appropriate programs; and
- coordination of community resources, including formal and volunteer programs, to meet the needs of the infected individual from the time of initial infection throughout the course of the disease, regardless of the client's location - home, foster home, acute care, or long-term setting.

Case management services assist the infected individual in locating mental health counseling, medical care, general health education, support groups, and other services that enable the individual to modify behavior to stop the spread of HIV.

The case manager should be a health professional who is knowledgeable about HIV transmission, behavior change methodologies and theories, community resources and reimbursement for services, working with people during stress, and the initial and ongoing problems of someone infected with HIV. The case manager should have enough time to spend with the infected individual and should be assigned to the individual from the diagnosis of the infection throughout the course of the disease.

The relationship between the case manager and the individual can be seen as a means of monitoring and maintaining behavior change and intervening during times of crisis. The case manager should stay in constant communication with the individual's private physician, if he or she has one, so that the full range of the client's needs are met.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number of Participants	-0-	-0-	250	500

RATIONALE:

Comprehensive case management services can assist individuals in obtaining the appropriate mental health counseling, medical care, general health education, and support group services that enable the individual to modify behavior to stop the spread of HIV. Successful long-term behavior change frequently requires long-term sustained support and re-enforcement. Given the high costs of treating one AIDS case, assistin

CHANGE REQUEST

1990-91 Biennial Budget

____ Agency ____ Program X Activity
(Continuation)

ACTIVITY: DISEASE PREVENTION AND CONTROL
PROGRAM: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
AGENCY: HEALTH, DEPARTMENT OF

infectious and capable of infecting others to make long-term behavior changes will prevent cases of AIDS in the future.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	<u>(Dollars in Thousands)</u>		
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Total</u>
General Fund Expenditures	\$ 500	\$ 500	\$1,000

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HEALTH,DEPT OF
PROGRAM : HEALTH PROTECTION
BUDGET ACTIVITY : PUBLIC HEALTH LABS

EXPENDITURES:	F.Y. 1990					F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	3,261	3,280	3,353	150	3,503	3,423	3,353	150	3,503	3,423
EXPENSES/CONTRACTUAL SRVCS	160	32	32	0	32	32	32	0	32	32
MISC OPERATING EXPENSES	82	1	1	0	1	1	1	0	1	1
SUPPLIES/MATERIALS/PARTS	425	645	573	43	616	608	573	10	583	573
CAPITAL EQUIPMENT	268	387	187	350	537	537	187	350	537	337
TOTAL EXPENDITURES	4,196	4,345	4,146	543	4,689	4,601	4,146	510	4,656	4,366
CHANGE REQUESTS: FUND										
B LABORATORY EQUIPMENT				350		350		350		150
B QUALITY ASSURANCE/DATA MANAGEMENT				143		105		110		70
B EMPLOYEE SAFETY				50		0		50		0
TOTAL CHANGE REQUESTS				543		455		510		220
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,955	2,009	1,860	543	2,403	2,315	1,860	510	2,370	2,080
SP REV DIRECT APPROP	0	130	75	0	75	75	75	0	75	75
STATUTORY APPROPRIATIONS:										
GENERAL	195	191	196	0	196	196	196	0	196	196
SPECIAL REVENUE	1,616	1,593	1,593	0	1,593	1,593	1,593	0	1,593	1,593
FEDERAL	430	422	422	0	422	422	422	0	422	422
TOTAL FINANCING	4,196	4,345	4,146	543	4,689	4,601	4,146	510	4,656	4,366
POSITIONS BY FUND:										
GENERAL	48.3	50.3	49.3	4.0	53.3	51.3	49.3	4.0	53.3	51.3
SP REV DIRECT APPROP	1.0	1.0	1.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0
SPECIAL REVENUE	55.7	34.0	32.0	0.0	32.0	32.0	32.0	0.0	32.0	32.0
FEDERAL	9.0	9.0	9.0	0.0	9.0	9.0	9.0	0.0	9.0	9.0

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HEALTH,DEPT OF
PROGRAM : HEALTH PROTECTION
BUDGET ACTIVITY : PUBLIC HEALTH LABS

POSITIONS BY FUND:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
TOTAL POSITIONS	114.0	94.3	91.3	4.0	95.3	93.3	91.3	4.0	95.3	93.3

CHANGE REQUEST _____ 1990-91 Biennial Budget
 _____ Agency _____ Program X Activity

ACTIVITY: PUBLIC HEALTH LABORATORIES
 PROGRAM: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
 AGENCY: HEALTH, DEPARTMENT OF

REQUEST TITLE: LABORATORY EQUIPMENT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 350	-0-	\$ 350	-0-
Governor's Recommendation				
General Fund	\$ 350	-0-	\$ 150	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests these funds to implement a 4 year equipment modernization plan. Expanding regulatory needs for more sophisticated analyses and a backlog of deferred equipment replacements have combined to form a package too large to be funded by the normal replacement sources. The purchase of the new equipment will allow the labs to produce more timely and reliable results which will in turn result in greater protection to the citizens of the state from disease and environmental threats.

DESCRIPTION/BACKGROUND:

The laboratory equipment inventory includes a wide variety of technical and scientific equipment with a replacement value of \$5.2 million. An examination of the equipment inventory has revealed that a substantial portion of this equipment (worth \$2.2 million in replacement value) has reached the end of its useful lifespan or will have reached its end within the 4 years of the proposed replacement plan. Reliance on obsolete equipment increases the costs of business for the labs, as reflected in higher maintenance costs and in decreased efficiency resulting from down time of the equipment and the need for an increasing number of test repeats.

Budget restraints in the past have prevented the department from implementing a normalized replacement schedule. In addition, technology is now allowing, and regulatory programs are requiring, a degree of sophistication in testing not possible with much of the currently used equipment. The ability to produce more detailed results quickly and accurately depends to a large part on updating the equipment inventory.

Finally, as the Public Health Laboratories move into the area of certifying other labs in the state, it will be imperative that equipment be able to perform at the levels that will be required of the other labs.

Current funding sources for equipment replacement include a BASE level funding of \$100,000 per year from the General Fund plus a surcharge of 8% (generating an additional \$100,000 per year) paid by laboratory clients. The proposed equipment plan would require an additional \$350,000 in each of the next 4 years.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 100	\$ 100	\$ 100	\$ 100
Special Revenue	84	82	100	100

LONG RANGE FUNDING IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 350	\$ 350	\$ 700

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for a biennial reduction of \$200,000 in consideration of competing demands on state resources.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: PUBLIC HEALTH LABORATORIES
 PROGRAM: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
 AGENCY: HEALTH, DEPARTMENT OF

REQUEST TITLE: LABORATORY QUALITY ASSURANCE AND DATA MANAGEMENT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 143	3.0	\$ 110	3.0
Governor's Recommendation				
General Fund	\$ 105	2.0	\$ 70	2.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests these funds to maintain the quality of its services consistent with client needs and certification requirements. The objectives are:

1. to complete the computerization of the clinical laboratories;
2. to develop and install a computerized quality assurance system;
3. to implement direct-line communications via computer between the laboratory and client organizations; and
4. to provide coordination of clinical laboratory quality assurance.

DESCRIPTION/BACKGROUND:

The laboratory processes an estimated 450,000 to 500,000 examinations per year and uses a Data General MV 15000 Computer for its data processing capabilities. The computerization plan for the laboratory has three phases. Phase 1 involves the development of the laboratory data base and the software necessary to manage and report the laboratory results. Phase 1 is over half completed for the chemical laboratory and is well under way in the clinical laboratory. Phase 2 involves networking laboratory instruments directly to the computer and the linkage of all aspects of quality control. Phase 2 is now under way in the chemical laboratory. Phase 3 involves direct line communications with client organizations. This has not been implemented.

RATIONALE:

Client organizations are dependent on the laboratory for a smooth and timely flow of quality data. The current laboratory data flow has not always been able to meet client expectations for current data because of the inadequacies of its data management system. EPA certification of the chemical laboratory was recently temporarily suspended in part because of inadequacies in the quality control system. Automating the quality control system will greatly improve the laboratory capability to meet certification requirements,

and provide greater assurance and documentation of quality performance.

Client organizations schedule field samples independently of one another, and for the most part, independently of laboratory capacity to respond at any one time. When the laboratory is overloaded the quality and timeliness of the data is jeopardized and costs are increased. Direct line communication via computer between the laboratory and client organizations would assist clients in scheduling field sampling operations and reduce laboratory field sampling costs by reducing the frequency of resampling. By computerizing laboratory data and establishing direct line communications, it will be possible to transfer data directly to a clients computer system, thereby eliminating the need for dual keypunching and other inefficiencies.

Two programmer analysts are needed for the system development and programming and a quality control officer is needed to coordinate quality control activities within the clinical laboratory to insure that the laboratory is maintained in certification status. Supplies and expense items include PC's and development software, communication boards for the Data General and related supplies for F.Y. 1990 and normal supplies and expense items for F.Y. 1991.

If this additional programming and quality assistance is not provided, full implementation of the laboratory computer system will be further delayed, and the laboratory will be unable to meet quality assurance requirements. Under current staffing levels, the computerization of the laboratory will not be completed until F.Y. 1995 at the earliest.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Special Revenue Expenditures	\$ 145	\$ 184	\$ 184	\$ 184

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 75	\$ 75	\$ 150

GOVERNOR'S RECOMMENDATION:

This request has been reviewed by the Information Policy Office and recommended for funding at a reduced level. The Governor concurs with the IPO recommendation.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: PUBLIC HEALTH LABORATORIES
 PROGRAM: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
 AGENCY: HEALTH, DEPARTMENT OF

REQUEST TITLE: EMPLOYEE SAFETY

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 50	1.0	\$ 50	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests these funds to develop and coordinate an employee safety program within the department. The major focus of this program is to develop a safety program in those work areas of the Department that have the greatest risk to employees, such as the laboratory and the users of the motor pool. This person would also be responsible for monitoring practices of hazardous and infectious waste disposal, monitoring compliance with the Right-to-Know Law, developing and coordinating a worker's compensation management program, monitoring compliance with OSHA requirements, and related safety efforts throughout the department.

DESCRIPTION/BACKGROUND:

The statewide and departmental programs already established to improve employee safety and to compensate them for injuries have placed a responsibility on management to monitor compliance with these programs and to actively develop a safer work environment. The resources for implementing and coordinating these programs have not been available.

This requested safety officer will assess the risks and safety needs throughout the department, especially those work areas with unusual risks. Laboratory personnel are exposed to hazardous chemicals, biological agents and other physical substances which may, when not handled properly, cause injury or disease, to the individual or to coworkers. In the case of infectious agents, there is a risk of spreading the infection to the employee's home or community.

RATIONALE:

An active employee safety program in the laboratory will insure that each lab supervisor has the necessary support to develop and provide appropriate safety training to the employees. Emergency response capability for isolating and decontaminating chemical and infectious agent spills will be improved

and coordinated with other resources. Procedures for the identification, handling and disposal of hazardous chemical and infectious wastes need to be improved and compliance with state infectious and chemical waste disposal regulations must be monitored.

An active employee safety program for other areas of the department will concentrate on the motor pool, the loading dock and other high risk areas, and on their special training needs relating to the higher safety risks in the work place. This safety officer will also:

- ensure MDH compliance with Right-To-Know Law through policy implementation;
- develop and coordinate MDH worker's compensation management program; ensure that 1st and 2nd injury reports are completed in accordance with law; serve as MDH liaison with State Claims Management; coordinate efforts of QRC and Supervisors to return employee to work;
- provide training to all MDH employees on safety issues and to address special training needs for employees who are regularly exposed to safety hazards;
- Monitor MDH compliance with OSHA laws and regulations; and complete OSHA reports, including the OSHA 200 report.

The department does not currently have a safety officer in the base budget. Various staff have tried to devote time to safety activities with limited resources, training or expertise.

BASE: None.

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 50	\$ 50	\$ 100

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding. Lab charges attributable to the department's water program requests should provide sufficient funding to meet the objectives of this request.

ACTIVITY: ENVIRONMENTAL HEALTH
Program: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
Agency: HEALTH, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

The environmental health activity exists to protect the health of the public by assuring that actual and potential risks from exposure to environmental hazards are minimized and controlled. Public health protection is achieved through a combination of licensing, enforcement of standards, technical consultation, training, field inspections, contaminant surveys, and recommendation for addressing new environmental hazards. This activity carries out the department's statutory responsibilities through each of the following activities:

1. Public Water Supply and Engineering: ensures safety of drinking water sources by maintaining a program to assure that water supplies are adequately surveyed and monitored through
 - a. personnel competency requirements for training, registration, licensing and certification;
 - b. regulation of public water supplies, plumbing installations, bathing places and pools, water wells, mineral exploration sites, and individual sewage disposal systems at public facilities;
 - c. public water supply surveillance and water quality monitoring to identify excess contaminant levels and take appropriate corrective action; and
 - d. establishment and enforcement of drinking water quality standards and recommendations for new activities to help reduce consumption of contaminated drinking water.
2. Community Environmental Services: promotes development and expansion of local environmental health programs and evaluates delegated programs to assure their adequacy and consistency.
3. Occupational Health: reduces the incidence of occupationally related diseases through enforcement of state and federal occupational health and hazard disclosure standards and asbestos abatement regulations, and through consultation, evaluates potential occupational health problems in the private sector and recommends means for avoiding those problems.
4. Radiation Control: minimizes exposure to radiation through
 - a. registration, inspection and regulation of sources of ionizing radiation;
 - b. environmental sampling and monitoring;
 - c. response to nuclear power plant and transportation emergencies; and
 - d. education of the public on radon exposure reduction techniques.
5. Environmental Field Services: minimizes outbreaks of infectious and communicable diseases and chemical contamination of food and beverages served, and reduces the risk of accidental injury due to falls, burns, or other physical factors in approximately 23,000 lodging, recreation, beverage or food establishments, and manufactured home parks. This is done through a) enforcement of standards for food service, equipment, facilities, water and waste system maintenance, physical plant and of smoking restrictions and b) providing technical consultation and training to the managers and operators of facilities which serve the public.
6. Health Risk Assessment: provides health expertise on issues before the Environmental Quality Board, conducts special investigations of environmental exposures which may pose serious health risks, develops exposure guidelines for unregulated contaminants, makes recommendations for maximum exposure limits, and responds to complaints concerning air and

waterborne contaminants and provides information to the public regarding various environmental hazards.

Statutory references: M.S. Ch. 144, 145A, 156A, 157, 214, 326, 327.

<u>PERFORMANCE INDICATORS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Public facilities licensed by state or local government	20,079	20,090	20,750	21,150
Public facility licenses issued by local health agencies	61%	63%	64%	65%
Occupational health investigations	494	550	600	600
Environmental projects reviewed and risk assessments completed	170	170	175	175
Radioactive sources registered	372	3,125	6,200*	6,200
Total facility inspections	15,089	16,595	19,025	19,025
public water supplies	2,152	3,100	3,380	3,380
food, beverage and lodging establishments	11,989	12,500	14,500	14,500
others	948	950	1,050	1,050
Total persons licensed, registered or certified	8,323	9,171	9,284	9,474
plumbers	6,000	6,250	6,400	6,550
water supply operators	1,834	1,840	1,840	1,840
others	489	1,081	1,044	1,084
Training sessions given	45	52	55	62
Construction plans reviewed -				
Public facilities	1,426	1,465	1,530	1,580
Water supplies and plumbing	1,370	1,375	1,375	1,375
Pools	110	110	110	110
Radiation shielding	41	50	50	50

* A change in renewal cycle results in 1/4 of all sources registering in F.Y. 1989, and 1/2 of all sources registering each year thereafter.

REVENUE:

This activity generates special and non-dedicated revenue.

<u>Type of Revenue</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual F.Y. 1988</u>	<u>Estimate F.Y. 1989</u>	<u>Estimate F.Y. 1990</u>	<u>Estimate F.Y. 1991</u>
Non-dedicated	\$ 1,243	\$ 1,691	\$ 1,898	\$ 1,899
Dedicated - Special	109	400	400	400
Total Revenue	\$ 1,352	\$ 2,091	\$ 2,298	\$ 2,299

* Some license fees increase or take effect 1-1-89. See the Reports on Fees for

1. food, beverage and lodging establishments,
2. manufactured home parks and recreational camping areas,
3. sources of radiation and
4. asbestos abatement.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HEALTH,DEPT OF
PROGRAM : HEALTH PROTECTION
BUDGET ACTIVITY : ENVIRONMENTAL HEALTH

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	3,948	4,762	4,593	1,935	6,528	6,410	4,593	1,936	6,529	6,415
EXPENSES/CONTRACTUAL SRVCS	330	412	311	1,581	1,892	1,886	311	1,684	1,995	1,989
MISC OPERATING EXPENSES	324	370	294	297	591	591	294	310	604	604
SUPPLIES/MATERIALS/PARTS	75	94	101	9	110	106	101	18	119	115
CAPITAL EQUIPMENT	143	254	59	478	537	473	59	44	103	103
REDISTRIBUTIONS	12	18	18	0	18	18	18	0	18	18
STATE OPERATIONS	4,832	5,910	5,376	4,300	9,676	9,484	5,376	3,992	9,368	9,244
LOCAL ASSISTANCE	49	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	4,881	5,910	5,376	4,300	9,676	9,484	5,376	3,992	9,368	9,244
CHANGE REQUESTS:										
A TRANSFER PUBLIC HEALTH FUND TO GENERAL	GEN			0		30		0		30
A TRANSFER PUBLIC HEALTH FUND TO GENERAL	PHLT			0		<30>		0		<30>
B WATER WELL MANAGEMENT PROGRAM	GEN			1,470		1,470		1,503		1,503
B INDOOR AIR QUALITY PROGRAM	GEN			193		137		176		124
B AUTOMATED DATA CAPABILITY	GEN			111		0		50		0
B ASSESSMENT FOR INCINERATORS/AIR TOXICS	GEN			82		57		77		55
B FIELD SERVICES TRAVEL EXPENSES	GEN			50		50		50		50
B X-RAY INSPECTION-REQUIRED FREQUENCIES	GEN			35		35		36		36
B ABANDONED WATER/MONITORING WELLS TECH	MNRS			50		50		150		150
B PESTICIDE BREAKDOWN IN GROUNDWATER	MNRS			208		208		122		122
B INDOOR AIR QUALITY ASSESSMENT PROTOCOL	MNRS			56		56		52		52
B PUBLIC WATER SUPPLY SURVEILLANCE	GEN			1,965		1,965		1,696		1,696
B WATER POLLUTION LIMITS	GEN			80		80		80		80
TOTAL CHANGE REQUESTS				4,300		4,108		3,992		3,868

SOURCES OF FINANCING:

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HEALTH,DEPT OF
PROGRAM : HEALTH PROTECTION
BUDGET ACTIVITY : ENVIRONMENTAL HEALTH

SOURCES OF FINANCING:	F.Y. 1990						F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
DIRECT APPROPRIATIONS:											
GENERAL	2,771	3,613	2,988	3,986	6,974	6,812	2,988	3,668	6,656	6,562	
SP REV DIRECT APPROP	0	91	180	0	180	180	180	0	180	180	
MN RESOURCES	0	0	0	314	314	314	0	324	324	324	
PUBLIC HEALTH	29	29	30	0	30	0	30	0	30	0	
METRO LANDFILL CONTN	128	144	145	0	145	145	145	0	145	145	
STATUTORY APPROPRIATIONS:											
GENERAL	157	0	0	0	0	0	0	0	0	0	
SPECIAL REVENUE	53	82	82	0	82	82	82	0	82	82	
FEDERAL	1,743	1,951	1,951	0	1,951	1,951	1,951	0	1,951	1,951	
TOTAL FINANCING	4,881	5,910	5,376	4,300	9,676	9,484	5,376	3,992	9,368	9,244	
POSITIONS BY FUND:											
GENERAL	67.0	80.5	65.5	52.0	117.5	116.0	65.5	52.0	117.5	116.0	
SP REV DIRECT APPROP	0.0	5.5	5.5	0.0	5.5	5.5	5.5	0.0	5.5	5.5	
MN RESOURCES	0.0	0.0	0.0	2.0	2.0	2.0	0.0	1.5	1.5	1.5	
PUBLIC HEALTH	1.0	1.0	1.0	0.0	1.0	0.0	1.0	0.0	1.0	0.0	
SPECIAL REVENUE	1.0	2.5	2.5	0.0	2.5	2.5	2.5	0.0	2.5	2.5	
FEDERAL	49.0	45.4	45.4	0.0	45.4	45.4	45.4	0.0	45.4	45.4	
METRO LANDFILL CONTN	1.0	1.0	1.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0	
TOTAL POSITIONS	119.0	135.9	120.9	54.0	174.9	172.4	120.9	53.5	174.4	171.9	

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: ENVIRONMENTAL HEALTH
 PROGRAM: PREVENTIVE AND PROTECTIVE HEALTH SERVICE
 AGENCY: HEALTH, DEPARTMENT OF

REQUEST TITLE: WATER WELL MANAGEMENT PROGRAM

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$1,470	26.0	\$1,503	26.0
Governor's Recommendation				
General Fund	\$1,470	26.0	\$1,503	26.0

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 1986, CH. 156A

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests support for an expanded water well program that will ensure adequate public health and groundwater protection through enforcement of the state's water well code. Expansion also includes development of strategies for wellhead protection, well advisories, sealing of abandoned wells, and promotion of local well management programs.

DESCRIPTION/BACKGROUND:

The department's existing staff commitment to administration of the water well statutes and construction code is 6.0 professional and 2.0 clerical. Together, they can inspect only about 300 of the 10,000 new wells drilled each year, along with all the other duties they carry out. The staffing level allows for minimal contact with the regulated industries. The program has operated with a minimal staff since 1974 because it was originally designed to be administered by local health agencies. A 1987 report by the legislative auditor stated that the local approach had not been effective and recommended that an "expanded state program, combined with delegation agreements in interested counties may be a more effective approach." The 1988 Groundwater Protection Strategy has also recommended the strengthening of the state's well program with emphasis on inspection, enforcement, abandonment and management. Interested groups, the legislature, other state agencies and local units of government have discussed the state's water well management needs and made recommendations for satisfying those needs. This request is based primarily on those recommendations. Prevention of contamination is the long-term focus of groundwater protection because it is more cost-effective and more successful than cleanup. Drinking water cannot be protected if the well is not properly constructed, allows lower quality water to migrate downward, or draws water from areas which are contaminated as a result of unrestricted land use practices or unsealed wells.

RATIONALE:

The need for an expanded program has been clearly identified. The department

is requesting amendments to the law and sufficient funding to improve the management of the groundwater resource through a variety of mechanisms, including:

1. a 10 fold increase in the number of new wells inspected;
2. the establishment of criteria and priorities for sealing abandoned wells;
3. an expanded effort with monitoring wells, including plan review, site inspections, and tracking to assure proper sealing;
4. development of programs for wellhead protection and for issuing well advisories; and
5. promotion of local well management and abandonment activities through their identification in county water plans.

The department recommends that new fees be established for construction and maintenance permits, and that existing license and registration fees be increased to generate revenue sufficient to offset the costs of the complete program.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 313	\$ 328	\$ 328	\$ 328
Federal Fund Expenditures	54	57	57	57

LONG RANGE FUNDING IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 1,488	\$ 1,488	\$2,976

GOVERNOR'S RECOMMENDATION:

The Governor recommends that this request be approved as a component of the "Comprehensive Water Resources Protection Act of 1989."

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: ENVIRONMENTAL HEALTH
 PROGRAM: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
 AGENCY: HEALTH, DEPARTMENT OF

REQUEST TITLE: INDOOR AIR QUALITY PROGRAM

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 193	5.0	\$ 176	5.0

Governor's Recommendation

General Fund	\$ 137	4.0	\$ 124	4.0
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Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

Funding is requested to support an indoor air quality program to deal with several indoor air contaminants which affect human health. The issues to be addressed include:

1. reduction of radon levels in homes,
2. conducting surveys for asbestos in both public and residential settings to identify its fiber release potential and need for repair or removal,
3. developing a methodology to evaluate the existence and hazard potential of various indoor air pollutants such as organics, particulates and microbiological contaminants which affect health, and
4. expanding the regulation of resurfacing equipment in indoor ice arenas to help assure safe levels of internal combustion engine emissions.

The objective is to help reduce indoor exposure to environmental contaminants in instances where private or individual efforts have not been possible or feasible.

DESCRIPTION/BACKGROUND:

The urban population spends 90% of its time indoors and 65% in the home. Several studies have indicated that indoor pollution measurements are the best estimator of individual exposure. Energy conservation techniques can reduce air infiltration which results in an accumulation of contaminants such as fuel combustion products and naturally occurring radon or friable asbestos fibers which become airborne.

1. Radon causes an estimated 5,000 to 20,000 lung cancers per year in persons with a lifetime exposure level in excess of 4 picoCuries/liter of air. Such levels have been measured in 30-40% of Minnesota homes recently surveyed and owners need a comprehensive source of information to help them reduce those levels to minimize their cancer risk.
2. The use of asbestos as an insulator several decades ago is creating a

- health problem in all types of buildings because the fibers are becoming airborne and their inhalation can cause various forms of cancer. Existing regulations apply only to certain individuals in specific settings.
3. Indoor air contaminants, such as formaldehyde, have resulted in complaints of illness from hundreds of Minnesotans. There currently exists no means by which these contaminants, which cause untold lost hours of productivity, can be adequately evaluated and controlled.
 4. Resurfacing equipment in approximately 150 indoor ice arenas needs to be more closely regulated to reduce the possibility of exposure to unsafe contaminant levels.

Increased media attention to all of these indoor air issues has elevated the public's awareness and concern, and the department has not been able to respond adequately or with consistent information. The agency receives several thousand calls and information requests each year concerning indoor air.

RATIONALE:

A task force of state agencies has reviewed these issues over several years' time and supported through the Environmental Quality Board (EQB), the creation of a single state agency program to deal with indoor air quality issues.

1. With regard to radon, the department will evaluate remediation techniques to determine their affordability and appropriateness for Minnesota housing and climatic conditions and then make them available for implementation through the private sector.
2. A method by which to systematically study the source of generalized "bad air" complaints is needed so that the complaints can be evaluated and remedies be identified.
3. The governor has designated the department as the lead state agency to deal with asbestos. The results of the public building surveys for asbestos will lead to recommendations to minimize occupant exposure.
4. Expansion of the ice arena activity is necessary to prevent acute disease outbreaks in the future. Ice arena managers support a significant program expansion which will be self supporting through fees.

By making short term reassignments from various programs, it is estimated that the agency is currently supporting the equivalent of 1.5 full-time positions to deal, on a response only basis, with these many indoor air quality concerns.

BASE: None.

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 176	\$ 176	\$ 352

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for a biennial reduction of \$108,000 and 1.0 position due to the funding of a related MFRC request, which will partially meet the objectives of this request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: ENVIRONMENTAL HEALTH
 PROGRAM: PREVENTIVE AND PROTECTIVE HEALTH SERVICE
 AGENCY: HEALTH, DEPARTMENT OF

REQUEST TITLE: AUTOMATED DATA CAPABILITY

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 111	1.0	\$ 50	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

This request is to support completion of a computerized data management capability in the Division of Environmental Health. A partial network system is in place and fulfillment of the request would assure completion of the computer capability project which was undertaken several years ago with federal funds. The requested funds will be used to purchase work stations and software for professional staff who must prepare written reports, to purchase hardware for consolidating data bases which should be integrated to be optimally useful, and to support one professional staff person to maintain and assure operation of the network for a staff of approximately 75.

DESCRIPTION/BACKGROUND:

The Division of Environmental Health regulates or licenses a wide variety of persons and public facilities. Together, these activities mean at least annual written contact and maintenance of files for some 9,000 persons (plumbers, and various other trades and occupations) and some 20,000 public facilities. This activity results in large quantities of written information which is stored and manipulated by division staff. Paper file storage and handwriting of inspection reports and field notes prior to typing are very inefficient information management modes. Over the past decade, several clerical positions have been vacated, freeing up some federal funds which were used to purchase automated data handling capability, for approximately 1/2 of the professional staff. Computerization in the division's federally supported programs has provided noticeable improvements in efficiency. There are other division programs with no federal support which need to be brought up to the same level of computerization in order to make all of them uniformly efficient. Some of the work stations would be used in activities supported by federal match funds or fees periodically adjusted to cover cost and deposited into the General Fund.

An information systems manager is necessary to oversee the divisions total information systems so that a single, knowledgeable individual can be

assigned full responsibility to keep the network going and to assist program managers with problem solving and introduction of new applications. Completion of the computer capabilities project would also allow the division to do all of its data processing in-house. Under the present system much of it is done at remote sites, e.g., the University of Minnesota or state computer, which require time delays in delivery of output and costs for processing.

RATIONALE:

The division has a goal of processing all requests for information/license renewal, etc., within 1 month of receipt. Existing data handling and information storage methods, e.g., handling, access and storage of hard copy, are inefficient and cause delays. Computerization has been well received and proven a very effective data handling tool in other division programs. It is necessary that the division implement the same technology for the programs which are state supported, if the division is to meet its 1-month turnaround goal. Of the 29 work stations requested, 10 will be used in programs which are supported by fees, resulting in \$20 additional revenue in the General Fund.

BASE: None.

<u>LONG RANGE FUNDING IMPLICATION:</u>	(Dollars in Thousands)		
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>TOTAL</u>
General Fund Expenditures	\$ 50	\$ 50	\$ 100

GOVERNOR'S RECOMMENDATION:

This request has been reviewed and not recommended for funding by the Information Policy Office (IPO). The Governor concurs with the IPO recommendation

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: ENVIRONMENTAL HEALTH
 PROGRAM: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
 AGENCY: HEALTH, DEPARTMENT OF

REQUEST TITLE: HEALTH ASSESSMENTS FOR INCINERATORS AND AIR TOXICS PROGRAM

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 82	2.0	\$ 77	2.0
Governor's Recommendation				
General Fund	\$ 57	2.0	\$ 55	2.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests funding to review potential human health effects of various toxic substances in air, by examining the need for new air standards for sources of pollution emission to be established by the Minnesota Pollution Control Agency (MPCA) and in reviewing the impacts of solid waste incineration facilities which have requested MPCA permits. Funding of this request will assure that human health effects issues are appropriately considered and factored into major state agency decisions on air pollution.

DESCRIPTION/BACKGROUND:

Solid waste incineration has become the method of choice to dispose of solid waste incinerators are being proposed at an increasing frequency. Incinerator emissions contain toxic substances such as dioxins and lead at levels which may pose potential health risks to nearby populations. Consideration of these risks in the siting and permitting of these facilities is complicated and time consuming and requires the most sophisticated assessment procedures to avoid overstating or understating the potential hazard.

The Minnesota Department of Health (MDH) has the health expertise and an established review protocol to review and evaluate the health risk assessment portion of solid waste incinerator environmental impact statement (EIS) documents. The major decisions regarding whether or not to construct these large facilities and where to locate them hinge mostly on the human health impacts projected in the EIS.

The department will also have to provide health effects information for the state's air toxics program being developed by the MPCA to control toxic air pollutants from sources other than solid waste incinerators. The MPCA received state funding for 5 positions last biennium (88-89) to initiate an air toxics program. This program will establish rules for the control of a whole class of hitherto unregulated air contaminants which are more toxic than the more common air pollutants such as the sulfur oxides. The impact of these contaminants on public health in Minnesota is unknown at this time and

MPCA will rely on the department's assessments when new rules are proposed.

Much of the assistance MPCA has needed from the department has not been provided and that which has been given at the expense of other public health programs. Projects and studies which address the health effects of the consumption of contaminated drinking water, sportfish, and the discharge of dioxins from some paper mills have been put aside to provide MPCA with assistance on incinerator issues.

RATIONALE:

Since the expenditure of millions of dollars on these incinerators is significantly influenced by public health issues, it is appropriate that MDH carry out its responsibility in evaluating the associated public health issues.

The MPCA requests for health department assistance have been increasing because many new facilities are being proposed and because of the repermitting of existing facilities. Since new MPCA standards for control of toxic air contaminants will be based on protection of public health, MDH needs additional resources to provide the underlying health risk assessment input.

MDH experience indicates that each incinerator facility will require about 0.35 FTE-years. MPCA estimates MDH assistance will be needed on about 4 incinerators per year, or 1.4 FTEs. About .5 FTEs will be needed for the air toxics program. Approximately 70% of these expenditures are recoverable to the General Fund since MPCA can charge to permittees the costs of staff time spent working on incinerator EIS projects.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	(Dollars in Thousands)		
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Total</u>
General Fund Expenditures	\$ 77	\$ 77	\$ 154

GOVERNOR'S RECOMMENDATION:

The Governor recommends funding that portion of the request that can be fully recovered by incinerator permit fees, resulting in a biennial reduction of \$47,000. The fees collected will be returned to the General Fund as non-dedicated receipts.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: ENVIRONMENTAL HEALTH
 PROGRAM: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
 AGENCY: HEALTH, DEPARTMENT OF

REQUEST TITLE: FIELD SERVICES TRAVEL EXPENSE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 50	-0-	\$ 50	-0-
Governor's Recommendation				
General Fund	\$ 50	-0-	\$ 50	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests these funds to assure that there will be sufficient dollars available to cover travel and daily expenses for environmental health services field inspection staff who inspect public facilities assigned to them. The objective of the environmental health field services program is to inspect facilities frequented by the public, both licensed and unlicensed, in accordance with state law, to assure that the services and accommodations in these facilities are clean and sanitary, that the food is safe and that all applicable state health standards are being met.

DESCRIPTION/BACKGROUND:

The general fund support in the past for this expense has not equaled the amount recovered by licensure fees nor has it been sufficient to fund travel expenses for non-fee supported work. In the last several years, funds have been found elsewhere in the Division of Environmental Health to make up the shortages, but those other sources are no longer available and may subject the department to audit exceptions. These factors along with the new inspection frequency enacted in 1986, require that additional funds be appropriated if the activity is to meet its objectives. It should be noted that approximately 80% of the requested funding will be spent to inspect facilities which generate non-dedicated revenue to the general fund, in the form of license fees. These fees are periodically readjusted to equal the costs of the program and are to be adjusted effective 1-1-89.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Travel expense incurred	122,368	92,250	104,000	104,000
Average travel expense/field FTE	4,532	4,500	4,500	4,500
Staff assigned to field activities.	27	21	23	23

RATIONALE:

State law prescribes a certain frequency for inspection of public establishments which the department regulates. If staff cannot travel because expense reimbursement funds are not available, they will be unable to complete their assigned tasks. The state charges license fees to approximately 80% of the facilities inspected by this activity. These fees, which are paid into the general fund, are set to assure that all the related expenses will be covered. The state general fund is receiving most of the funds for which this CHANGE is being requested and the requested amount should be appropriated to the agency so that the necessary travel expense can be covered and the department's field services objectives can be met.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 70	\$ 70	\$ 80	\$ 80
Federal Fund Expenditures	\$ 50	\$ 50	\$ -0-	\$ -0-

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 50	\$ 50	\$ 100

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. The agency will fully recover the cost of this request through fees. These fees will be returned to the General Fund as non-dedicated receipts.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: ENVIRONMENTAL HEALTH
 PROGRAM: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
 AGENCY: HEALTH, DEPARTMENT OF

REQUEST TITLE: X-RAY INSPECTION - REQUIRED FREQUENCIES

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
General Fund	\$ 35	1.0	\$ 36	1.0
Governor's Recommendation				
General Fund	\$ 35	1.0	\$ 36	1.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests support for an additional position to assist in completing inspections of x-ray equipment at the prescribed frequency. The objective of the inspections is to ensure that use of x-ray equipment for patients, operators and the general public is safe and does not cause any unwarranted exposure to those receiving x-rays.

DESCRIPTION/BACKGROUND:

State rule requires that the agency register sources of radiation, and that those sources be inspected by the department every 4 years. Gradually through budget cuts and staff transfers to other higher priority issues, the number of FTE assigned to the inspection activity has fallen to the present 3.6. This number of staff are unable to meet the 4-year inspection frequency. While inspection efficiency has improved, through computerization and staff reassignments, the number of sources to be inspected has increased by 150% from 1970 to 1988. There are now approximately 11,000 registered sources located in hospitals, clinics, doctors' and dentists' offices, veterinary facilities and various industrial and educational settings. When facilities are visited state inspectors find that x-ray equipment is not always being adequately maintained and film exposure techniques are not always being properly controlled. Such deficiencies can result in overexposure of the patient. Equipment handling and other inappropriate personnel practices can result in needless worker exposure. These deficiencies indicate that there is a need to staff up to a level which will allow an inspection frequency approaching the 4-year interval. The addition of staff, along with related organizational and administrative changes to improve inspection efficiency, should result in a reduction in the number and severity of the deficiencies which have been identified.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
X-ray tubes inspected	948	1,400	2,500	2,500

RATIONALE:

The goal of the Radiation Control Program is to ensure that x-ray equipment is being used safely throughout Minnesota. Through inspections every 4 years the department is able to evaluate the compliance of x-ray equipment with state rules, determine if deficiencies exist and issue notification of deficiencies with recommendations and schedule for correction. There is pressure from professional societies and many facilities to have these inspections performed at the prescribed frequency. Some other states have instituted programs which rely on non-state inspectors or require facilities to get their own inspections. These programs have met with only limited success because of problems with non-state inspector certification, lack of quality in some of the inspections being performed and administrative problems. Providing an additional position to perform inspections will help bring the inspection frequency closer to the prescribed 4-year interval. Since fees from equipment registration are established to cover the costs of the inspection program, there would be no net loss to the General Fund into which those fees are now deposited.

<u>BASE:</u>	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 156	\$ 161	\$ 161	\$ 161

<u>LONG RANGE IMPLICATIONS:</u>	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 36	\$ 36	\$ 72

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. The agency will fully recover the cost of this request through fees. The fees collected will be returned to the General Fund as non-dedicated receipts.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: ENVIRONMENTAL HEALTH
 PROGRAM: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
 AGENCY: HEALTH, DEPARTMENT OF

REQUEST TITLE: ABANDONED WATER WELL/MONITORING WELL TECHNOLOGIES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
MN Resources Fund	\$ 50	-0-	\$ 150	-0-
Governor's Recommendation				
MN Resources Fund	\$ 50	-0-	\$ 150	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests these funds to investigate existing technologies that may be appropriate for use in the water well industry to clean out abandoned wells that are obstructed so that they can be properly sealed, and to test monitoring wells to see if they are leaking through joints or cracked casing. The request supports other ongoing program development efforts of the Minnesota Department of Health to accelerate and strengthen the water well construction and abandonment program. Information gained in the project will be used in training programs for licensed water well contractors and monitoring well engineers and as the technical basis for regulatory changes. The funds will be used to contract for professional services with people experienced in drilling technology and testing techniques.

DESCRIPTION/BACKGROUND:

Sealing of abandoned wells and proper well construction are integral parts of the state's groundwater protection strategy. There is considerable interest at the state and local level in the sealing of abandoned wells. Improperly abandoned wells are conduits for contaminated groundwater to move from upper aquifers to lower, usually cleaner, aquifers. A number of abandoned wells cannot be properly sealed because they are plugged with debris, metal pumps, line shafts, drop pipes, etc., which make it expensive and difficult, if not impossible, to effectively seal. Monitoring wells can also be a threat to the quality of groundwater. Since so many of them are installed in areas where contamination has already occurred, it is critically important that techniques be developed to assure that monitoring wells are not allowing poor quality water to leak into clean aquifers. This leakage could occur if there were cracks in the casing or at the joints. The existing well code is silent on these matters. The research to be done under this proposal will result in the identification and adaptation of testing techniques to assure the proper

sealing of abandoned wells and the integrity of monitoring wells and provide the basis for amendments to the code.

RATIONALE:

The need for a stronger state well code enforcement program has been clearly identified in the state's groundwater protection strategy and in a number of local water planning activities. Goals of these various planning activities include prevention of degradation and protection of drinking water. This project will provide technical data code revisions. These revisions will help other governmental entities achieve their groundwater protection goals. The development of cost-effective methods to remove obstructions from abandoned wells will be a benefit to the ongoing efforts of licensed water well contractors to properly seal these wells. Knowing which technique can be used will also benefit local water management groups as they proceed from water planning to actual water management activities such as inventorying and abandoning unused wells. The ability to detect leaking monitoring wells will assure that these wells are fixed or abandoned and these techniques would be applied especially in the areas where drinking water sources are most sensitive to degradation.

BASE: None.

LONG RANGE IMPLICATIONS: None.

GOVERNOR'S RECOMMENDATION:

The Governor recognizes the authority of the Minnesota Future Resources Commission (MFRC, formerly the LCMR) to make budget recommendations directly to the legislature. While the Governor's budget reflects these recommendations in various agency proposals, the MFRC will present an entire package to the State Departments Division for legislative action.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: ENVIRONMENTAL HEALTH
 PROGRAM: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
 AGENCY: HEALTH, DEPARTMENT OF

REQUEST TITLE: PESTICIDE BREAKDOWN PRODUCTS IN MINNESOTA GROUNDWATER

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
MN Resources Fund	\$ 208	1.0	\$ 122	0.5
Governor's Recommendation				
MN Resources Fund	\$ 208	1.0	\$ 122	0.5

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The Department requests LCMR funding to conduct a survey of public and private drinking water wells for pesticide breakdown products. A full-time professional will be employed by the department to design the survey; select approximately 5-10 pesticide breakdown products for inclusion in the survey; select 60 public/private wells for sampling; collect 3 samples from each well during the 1990 growing season; and coordinate the preparation of necessary reports. Approximately 75% of the amount requested will be used to support an interagency agreement with the University of Minnesota, School of Public Health, to develop or validate laboratory analytical methods for detecting and quantifying the selected breakdown products in drinking water; analyze the Minnesota Department of Health (MDH) field and quality control samples for the selected breakdown products and their parent compounds; and transfer the analytical methodology to the MDH laboratory for routine use in future monitoring activities.

DESCRIPTION/BACKGROUND:

Many pesticides commonly used in Minnesota degrade shortly after application. In some cases, these degradation products may be as or more toxic than their parent compounds. Furthermore, breakdown products are often more water soluble and may therefore be more likely to reach groundwater than the parent product. To date, there has not been a systematic effort to survey public or private drinking water wells in Minnesota for pesticide breakdown products. The need for such baseline data has been identified in several state reports including the Legislative Auditor's "Water Quality Monitoring" report and the Environmental Quality Board's "Minnesota Ground Water Protection Strategy" and "Strategy for the Wise Use of Pesticides and Nutrients." The department is contracting with the University of Minnesota, School of Public Health, because the MDH laboratory is not in a position to do the extensive development work which will be involved. That element of the work will be done at the School of Public Health, which has both the expertise and an ongoing research project in a related area.

RATIONALE:

There is a need to obtain baseline information on the occurrence and extent of contamination in drinking water caused by pesticide breakdown products. Baseline information generated by the survey will enable the department to develop a basic understanding of the scope of the problem and to establish a base from which trends can be observed. This baseline information will be useful to various state/local agencies and the agricultural community in making sound decisions related to public health/groundwater resource protection as well as pesticide use, monitoring and control. Furthermore, analytical methods will be developed or validated which can be used by the departments of health and agriculture in future pesticide monitoring activities. The survey will also identify the occurrence and level fluctuations of pesticide breakdown products in selected public and private drinking water wells. Where these levels exceed recommended drinking water limits, efforts will be made to secure safe drinking water supplies through proper treatment, new or improved well construction or connection to nearby safe water supplies.

BASE: None.

LONG RANGE IMPLICATIONS: None.

GOVERNOR'S RECOMMENDATION:

The Governor recognizes the authority of the Minnesota Future Resources Commission (MFRC, formerly the LCMR) to make budget recommendations directly to the legislature. While the Governor's budget reflects these recommendations in various agency proposals, the MFRC will present an entire package to the State Departments Division for legislative action.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: ENVIRONMENTAL HEALTH
 PROGRAM: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
 AGENCY: HEALTH, DEPARTMENT OF

REQUEST TITLE: INDOOR AIR QUALITY ASSESSMENT PROTOCOL

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
MN Resources Fund	\$ 56	1.0	\$ 52	1.0
Governor's Recommendation				
MN Resources Fund	\$ 56	1.0	\$ 56	1.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The objective of this proposal is to create a mechanism by which homeowners and other occupants of residential buildings can assess optimum building operation strategies to minimize indoor air pollution and protect human health. The protocol developed by the MDH through this project will be transferred to professionals in the private sector for implementation. These professionals include home builders, heating and ventilation consulting firms, and local health officials. One full time research scientist with experience in ventilation and indoor air issues will be hired for this project. The research scientist will conduct a literature review of health and assessment survey techniques. In the next phase of the project, approximately 150 homes will be monitored for air contaminants. After the data has been analyzed, a draft protocol assessing indoor air will be completed; the draft protocol will be verified by additional testing. Once a final protocol is prepared, the information will be transferred to housing professionals.

DESCRIPTION/BACKGROUND:

U.S. urban residents spend an average of 65 percent of their time in the home. High risk segments of the population (e.g., young children, the elderly, and individuals in poor health) spend even more time in their homes. More common contaminants include nitrogen dioxide, carbon monoxide, microorganisms, excessive humidity levels, and toxic air pollutants. The health effects of exposure to these contaminants range from irritation to cancer. The levels of indoor air pollution in Minnesota homes are not known. Since 1984, the Minnesota Department of Health has received more than 17,000 inquiries regarding indoor air issues in the home. Physicians whose patients are adversely affected by indoor pollutants would welcome the development of this type of assessment protocol which would help to identify the cause of illness of some of their patients. To date, neither government nor the private sector has developed a systematic approach to identifying which contaminants are present and how the levels can be reduced.

RATIONALE:

There are several reasons why the state should take the lead in developing an indoor air quality assessment protocol. First, indoor air is a complex policy and technical issue. No single state agency has the resources or technical expertise to assist the public alone, so MDH is proposing a project that will provide a significant source of help implementable through the private sector. Second, an adequate monitoring procedure has to be developed for monitoring indoor air, if we are ever to analyze and solve indoor pollution problems. Third, private industry has not been willing to commit the resources necessary to deal with a problem which is more than 10 years old, nor have they developed the necessary monitoring procedures which could then be marketed to homeowners.

This project will provide several benefits to the public. It will ultimately minimize indoor air pollution and health effects on building occupants by providing a procedure for identifying potential problems. In addition, the protocol will suggest effective technical remedies capable of solving indoor air problems. The protocol can also be used to generate general design and operation guidelines for homes. Finally, implementation of the results of this project can be accomplished through private means and is not dependent on continued state support.

BASE: None.

LONG RANGE IMPLICATIONS: None.

GOVERNOR'S RECOMMENDATION:

The Governor recognizes the authority of the Minnesota Future Resources Commission (MFRC, formerly the LCMR) to make budget recommendations directly to the legislature. While the Governor's budget reflects these recommendations in various agency proposals, the MFRC will present an entire package to the State Departments Division for legislative action.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: ENVIRONMENTAL HEALTH
 PROGRAM: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
 AGENCY: HEALTH, DEPARTMENT OF

REQUEST TITLE: PUBLIC WATER SUPPLY SURVEILLANCE AND MONITORING

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
General Fund	\$1,965	15.0	\$1,696	15.0
Governor's Recommendation				
General Fund	\$1,965	15.0	\$1,696	15.0

Request requires statutory change: X Yes _____ No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funding to support the state share of the program to meet the monitoring and public water supply system requirements, including laboratory analyses for newly regulated contaminants, mandated under the 1986 federal Safe Drinking Water Act Amendments. The objectives are to assure timely surveillance and water quality monitoring of all public water supplies at a prescribed frequency and to assure Minnesota residents and visitors of acceptable water quality. The 1988 Legislature approved the program scope and necessary positions and requested a report on funding alternatives. As shown in the report, all of the amount requested can be supported by fees.

DESCRIPTION/BACKGROUND: Minnesota has supported a public drinking water supply program since the 1880s. Significant expansion has occurred since then as more has become known about the existence and health significance of certain contaminants in drinking water. Federal action in the mid-1970s led to considerable program growth, along with federal support for the majority of the program. The 1987 Legislative Auditor's report on water quality monitoring identified a number of areas in which the department's program was deficient, including program scope and number of contaminants sampled. Results of several groundwater quality surveys indicate that drinking water sources are being contaminated and have established the need to systematically monitor for those contaminants. A state groundwater strategy task force has also identified certain regulatory gaps and supports the goals to be achieved with this request. In addition, Congress amended the Safe Drinking Water Act in 1986, imposing significantly expanded regulations which the department must address if the state is to retain primary enforcement responsibility under the federal Act. The amendments contain major new provisions affecting Minnesota's approximately 12,000 public water supplies which require additional resources. The amendments:

- a. increase the number of regulated contaminants from 20 to 83 by 1993, with 25 new contaminants being added every 3 years thereafter. Phased-in monitoring requires testing for 9 new contaminants in F.Y. 1989, 40 contaminants in F.Y. 1990-91, and the remaining 34 contaminants in F.Y. 1992-93 for a total of 83;
- b. mandate filtration by surface water systems;
- c. mandate disinfection of all 12,000 public water systems (Minnesota

- d. require wellhead protection;
- e. ban the use of lead for plumbing systems and service lines;
- f. require aquifer designation;
- g. transfer 1,700 noncommunity systems to the nontransient noncommunity classification, which will result in a shift from monitoring for 2 contaminants to monitoring for 83 contaminants in the F.Y. 1992-93 biennium.

The impact of g) alone will cause a tripling of demand for laboratory support. This program will be carried out by utilizing existing department capability for the surveillance activity and contracting out some of the laboratory analyses. This request was part of the department's larger request to the 1988 Legislature. The bill finally enacted requires the department to review various fee mechanisms and report thereon to the legislature by 1-1-89.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Staff (FTE)	18.6	33.6	33.6	33.6
Laboratory costs (000's)	\$ 160	\$ 433	\$ 1,654	\$ 1,365
Regulated supplies				
Community public water supplies	1,000	1,000	1,000	1,000
Noncommunity water supplies	4,000	9,300	9,300	9,300
Nontransient noncommunity water supplies	0	1,700	1,750	1,800
Chemicals regulated and promulgated	23	23	56	83

RATIONALE: The need to increase support for this program has been identified by other units of state government. Water supplies need information about increasing contaminant levels so they may plan for future needs. With the change in federal law to increase the number of systems requiring extensive monitoring and the addition of 63 chemical parameters, existing resources are not adequate to meet the sampling and analytical needs of these mandates. As a result, the necessary funding is requested to allow Minnesota to operate a complete safe drinking water program. Failure of the state to perform its responsibilities as specified in the Act could result in the loss of federal funding, and reversion of enforcement and program administration to U.S. Environmental Protection Agency. Nevertheless, public supplies would still have to comply with the requirements and they would incur the inspection and laboratory analysis costs directly. Fees would generate sufficient revenue to cover all of the state's share of the program cost.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 367	\$ 1,136	\$ 405	\$ 426
Federal Fund Expenditures	\$ 729	\$ 739	\$ 700	\$ 700

LONG RANGE FUNDING IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 3,068	\$ 3,221	\$ 6,289

GOVERNOR'S RECOMMENDATION:

The Governor recommends that this request be approved as a component of the "Comprehensive Water Resources Protection Act of 1989."

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: ENVIRONMENTAL HEALTH
 PROGRAM: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
 AGENCY: HEALTH, DEPARTMENT OF

REQUEST TITLE: HEALTH INFORMATION IN WATER POLLUTION LIMITS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 80	2.0	\$ 80	2.0
Governor's Recommendation				
General Fund	\$ 80	2.0	\$ 80	2.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests funding to support groundwater protection activities through the identification of potential health effects of various levels of pollutants in water. The findings will be provided to the Pollution Control Agency (PCA) which needs them to set groundwater quality limits for Minnesota waters in accordance with the state's 1988 groundwater protection strategy. Funding of this request will help assure that human health impact data will be taken into account when pollution limits are set in pursuit of the state agencies' mandate to prevent groundwater quality degradation.

DESCRIPTION/BACKGROUND:

One of the responsibilities of the PCA in the Environmental Quality Board's (EQB) comprehensive water bill is to set pollution limits for various contaminants in Minnesota waters. The purpose of these limits is to allow the controlled use of certain chemicals in the state, but only as long as the prescribed limits are not exceeded. These limits have to be adopted by the state and they should be set at a point which assures no unwarranted human health impact if the water is consumed. The Department of Health is mandated to identify environmental health hazards and adopt standards to minimize exposure to those hazards. In furtherance of that mandate, the department routinely evaluates chemicals for human health impact and has an established review procedure and staff expertise to evaluate the human health impact of pollutants for which the PCA is to establish levels.

RATIONALE:

In order for the state to be able to adopt reasonable and enforceable water pollution limits, potential human health impacts have to be taken into

account, along with a variety of other factors such as achievability and potential economic impacts. What is needed is an estimate of the risk to health from exposure to various levels of chemicals. Of the thousands of chemicals in use, even for many of the industrial and agricultural chemicals in widespread use in Minnesota, health risk information is very scarce or new information becomes available which changes risk estimates. The department's staff would review the published research literature relating to potential health effects of the pollutants identified by the PCA and recommend limits, based on established acceptable risk levels. The department will continue to monitor the scientific literature to assure that the limits continue to be based on the most current research data. Without such information, the state will be unable to establish limits which are credible and defensible. Various industrial and agricultural industries in Minnesota make widespread use of chemicals which contribute to the profitability of their operations. To the extent that adoption of the new pollution limits may require changes in those patterns of chemical use, the state will have to show that the limits are reasonable, i.e., they are based on all available information, using a standard analytical methodology. The filling of this request will help assure that the necessary health expertise and skills are available to provide that information.

BASE: None

<u>LONG RANGE IMPLICATIONS:</u>	(Dollars in Thousands)		
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Total</u>
General Fund Expenditures	\$ 80	\$ 80	\$ 160

GOVERNOR'S RECOMMENDATION:

The Governor recommends that this request be approved as a component of the "Comprehensive Water Resources Protection Act of 1989."

ACTIVITY: HEALTH PROMOTION AND EDUCATION 1990-91 Biennial Budget
Program: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
Agency: HEALTH, DEPARTMENT OF

PURPOSE:

This activity is charged with providing expertise and programs in prevention of chronic diseases by encouraging and creating lifestyles that decrease health risk. The activity aims to reduce behavior health risk factors for cancer, heart disease, diabetes, stroke, dental decay, and other chronic diseases. This is accomplished through programs in the following areas:

DENTAL HEALTH:

The Dental Health Activity: promotes, maintains and expands dental decay prevention programs especially those targeted to low income persons; conducts dental public health studies; provides information, training, consultation and technical assistance to health professionals, agencies and individuals; manages ongoing dental public health programs; and secures grants for pilot programs, demonstration projects and other dental public health activities.

Successful accomplishments of the Dental Health Activity include: implementation and management of the CDC Venturi Fluoride Saturator Grants; conducting 2 infection control studies of Minnesota dental offices; conducting 2 studies on knowledge and use of smokeless tobacco products; securing grant funding to provide state-of-the-art computer program management and data analysis capabilities for the dental health program; coordinating expert input into oral health and home care regulation development by MDH; and providing in-depth consultation to dental health professionals regarding AIDS and other infectious diseases.

HEALTH BEHAVIOR, DEVELOPMENT AND EDUCATION:

This section is directed at reducing physiological and behavioral risk factors for cancer, heart disease, diabetes, and other chronic diseases that result in premature morbidity and mortality. Among the major accomplishments of this section is the development of a set of community health promotion guidelines followed by a series of workshops around the state. A Community Cancer Coalition in St. Cloud has been formed and an evaluation made there of task force activities for tobacco prevention. The Diabetes Program is establishing a patient tracking system in 13 primary-care centers throughout the state.

NONSMOKING AND HEALTH:

Smoking is the leading cause of preventable death in Minnesota, and building a tobacco-free society is one of the highest priorities in public health. For 5 years now, the Section of Nonsmoking and Health has been working on a comprehensive program to promote nonsmoking. Schools, hospitals, local health organizations, doctors, work places, and the mass media statewide have been mobilized for this effort.

Over the past 2 years the Nonsmoking Section has worked with advertising and market research experts to design radio, television and billboard messages to encourage young people not to smoke or chew tobacco. The section conducted extensive research, using focus groups and surveys, and found that the most effective mass media themes are those that focus on the negative social

and personal consequences of smoking and chewing tobacco. These include bad breath, smelly clothes and hair, not fitting in socially and becoming addicted.

The 5 media campaigns that the section has conducted to-date represent the largest sustained commitment to the use of mass media for tobacco-use prevention in the nation. Post-campaign research has shown a consistent trend for an increased perception among young people that smoking and the use of chewing tobacco have negative social effects. Since cultivating these perceptions is the goal of the campaigns, it may be concluded that the advertisements have begun to have their intended long-term impact.

The section has put in place an innovative program of grants -- to local health agencies and private groups across the state -- which has made possible an array of creative projects, ranging from health fairs to quit-smoking classes in local business, hospitals, and schools. One such effort is aimed at helping hospitals and chemical dependency centers in the state to go "smoke-free." The Nonsmoking Section has designed this grant program to support and extend the mass media messages by focusing on the same themes and youthful target groups as the advertisements do.

To measure progress in these tobacco-use prevention efforts, the section is conducting regular statewide telephone surveys to determine the prevalence of tobacco use and find out what people know and how they feel about the use of tobacco. The Section is also taking part in a 5 year, federally-funded study of tobacco use, and attitudes toward tobacco use, among ninth graders.

NUTRITION AND HEALTH:

This section provides nutrition standards, guidelines, training and technical consultation to state and local public health agency staff, health professionals, and the public. Services provided include assistance in planning, implementing and evaluating effective nutrition services and educational programs; in identifying nutrition resources; and in conducting assessments of nutritional status and needs of individuals and groups. Priority is given to nutrition services in programs involving maternal and child health; to nutrition education for populations at special nutritional risk, such as individuals living in poverty, children, teens and pregnant women; and to adult health promotion, such as nutrition risk reduction and overweight, high blood cholesterol, and osteoporosis. Since 1987 the section has published and distributed over 2,500 copies of Healthy By Choice, the Minnesota Plan for Nutrition and Health; received a federal grant for developing a statewide system for nutrition surveillance in pregnancy; participated extensively in a community cancer prevention grant awarded to the Division by the National Cancer Institute; and developed and distributed to all 61 WIC projects a nationally recognized training manual for WIC educators.

<u>PERFORMANCE INDICATORS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
<u>DENTAL HEALTH</u>				
Major presentations	25	38	40	40
New communities fluoridated	3	1	1	1
New schools fluoridated	3	4	--	--
Programs implemented	3	2	2	2
Children fluoride mouth-rinsing	31,000	32,000	32,000	32,000
Training programs	35	38	40	40
Dental cards distributed	125,000	125,000	125,000	125,000
Grants made	6	4	--	--

ACTIVITY: HEALTH PROMOTION AND EDUCATION 1990-91 Biennial Budget
 (Continuation)
 Program: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
 Agency: HEALTH, DEPARTMENT OF

PERFORMANCE INDICATORS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
<u>HEALTH BEHAVIOR, DEVELOPMENT AND EDUCATION</u>				
Risk Factor Reduction				
- Workshops/Training Programs	6	9	9	9
- Technical Consultations	30	30	30	30
- Major Presentations	10	4	6	6
Primary Cancer Prevention				
- Training Programs	3	1	1	2
Community-based Health Promotion				
- Workshops/Training Programs	17	13	14	14
- Technical Consultations	60	65	65	65
Diabetes Coalitions Formed	-	2	6	-
<u>NONSMOKING AND HEALTH</u>				
Tobacco-Free Grants in Effect	6	6	6	6
Media Messages Developed:	11	10	8	8
Women Surveyed	0	400	0	400
Teens Surveyed	0	800	0	800
Media Awareness Surveys	3,600	1,200	1,200	1,200
<u>NUTRITION AND HEALTH</u>				
Community-based				
- CHS training	4	7	9	12
- Resource modules presented and mailed	80	200	220	240
Pregnancy Nutrition Surveillance:				
- Training and Site Visits	2	22	20	30
WIC Monitoring Visits	61	61	61	61
WIC technical assistance to nutrition and medical staff	850	850	900	900
WIC Special Infant Formula Requests	266	368	368	368
Cancer Prevention Training and Technical Assistance	4	10	14	14

REVENUE:

This activity does not generate revenue.

GRANTS AND AIDS:

Tobacco use prevention special project grants are intended to initiate, develop and implement new demonstration projects that promote tobacco use prevention. The grants are classified into those of community-wide scope or statewide scope and are awarded for a 2 year period.

Grants by Fund:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Public Health Fund Expenditure	\$ 250	\$ 250	\$ 250	\$ 250

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HEALTH, DEPT OF
PROGRAM : HEALTH PROTECTION
BUDGET ACTIVITY : HEALTH PROMOTION & EDUC

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	963	1,170	1,213	70	1,283	1,283	1,213	70	1,283	1,283
EXPENSES/CONTRACTUAL SRVCS	1,206	1,236	1,236	46	1,282	1,282	1,236	47	1,283	1,283
MISC OPERATING EXPENSES	60	81	81	19	100	100	81	20	101	101
SUPPLIES/MATERIALS/PARTS	35	118	118	0	118	118	118	0	118	118
CAPITAL EQUIPMENT	45	6	6	40	46	46	6	33	39	39
REDISTRIBUTIONS	0	0	0	0	0	0	0	0	0	0
STATE OPERATIONS	2,309	2,611	2,654	175	2,829	2,829	2,654	170	2,824	2,824
LOCAL ASSISTANCE	213	240	240	1,986	2,226	2,226	240	3,004	3,244	3,244
TOTAL EXPENDITURES	2,522	2,851	2,894	2,161	5,055	5,055	2,894	3,174	6,068	6,068
CHANGE REQUESTS: FUND										
A TRANSFER PUBLIC HEALTH FUND TO GENERAL	GEN			0		1,719		0		1,719
A TRANSFER PUBLIC HEALTH FUND TO GENERAL	PHLT			0		<1,719>		0		<1,719>
B INSTITUTE FOR ADDICTION/STRESS RESEARCH	GEN			1,986		1,986		3,004		3,004
B DENTAL HEALTH INITIATIVE	GEN			175		175		170		170
TOTAL CHANGE REQUESTS				2,161		2,161		3,174		3,174
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	243	320	356	2,161	2,517	4,236	356	3,174	3,530	5,249
PUBLIC HEALTH	1,665	1,712	1,719	0	1,719	0	1,719	0	1,719	0
STATUTORY APPROPRIATIONS:										
FEDERAL	614	819	819	0	819	819	819	0	819	819
TOTAL FINANCING	2,522	2,851	2,894	2,161	5,055	5,055	2,894	3,174	6,068	6,068
POSITIONS BY FUND:										
GENERAL	5.5	7.5	7.5	2.0	9.5	18.4	7.5	2.0	9.5	18.4

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HEALTH,DEPT OF
PROGRAM : HEALTH PROTECTION
BUDGET ACTIVITY : HEALTH PROMOTION & EDUC

POSITIONS BY FUND:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
PUBLIC HEALTH	9.8	8.9	8.9	0.0	8.9	0.0	8.9	0.0	8.9	0.0
FEDERAL	18.0	18.7	18.7	0.0	18.7	18.7	18.7	0.0	18.7	18.7
TOTAL POSITIONS	33.3	35.1	35.1	2.0	37.1	37.1	35.1	2.0	37.1	37.1

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: HEALTH PROMOTION AND EDUCATION
 PROGRAM: PREVENTIVE AND PROTECTIVE HEALTH SERVICE
 AGENCY: HEALTH, DEPARTMENT OF

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. Funds should be appropriated to the Department of Health, to be granted to the Institute. Legislation is needed to clarify the status of the Institute as solely a grantee of the state and not as a state agency.

REQUEST TITLE: MINNESOTA INSTITUTE FOR ADDICTION AND STRESS RESEARCH

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$1,986	-0-	\$3,004	-0-

Governor's Recommendation

General Fund	\$1,986	-0-	\$3,004	-0-
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Request requires statutory change: X Yes _____ No
 Statutes Affected: 152A.01

STATEMENT OF REQUEST/OBJECTIVE:

The purpose of the grant to the Minnesota Institute for Addiction and Stress Research is to place Minnesota in a leadership role for neurobiological research of addictive disorders and stress-related diseases. The Institute will research and develop new treatment methodologies to make addiction and stress treatment more effective and cost efficient. In addition, the Institute will evaluate new treatment methods as they are proposed.

The Research Institute will combine clinical and basic scientific investigation of addictive disorders and stress-related diseases. There is a critical relationship between addictive and stress-related disorders. The Institute will study the neurobiological origins of stress and will investigate and develop therapies for stress-related medical addictions that have not proved responsive to currently available medical therapies.

DESCRIPTION/BACKGROUND:

The Minnesota Institute for Addiction was given a start-up grant by the 1988 Legislature. The legislature charged the Institute with the task of organizing itself and preparing a comprehensive mission statement and work plan. The request represents the cost of beginning the implementation of this plan.

(Dollars in Thousands)

BASE:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditure	\$ -0-	\$ 200	\$ 200	\$ 200

(Dollars in Thousands)

LONG RANGE IMPLICATIONS:	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditure	\$ -0-	\$ -0-	\$ -0-

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: HEALTH PROMOTION AND EDUCATION
 PROGRAM: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
 AGENCY: HEALTH, DEPARTMENT OF

REQUEST TITLE: DENTAL HEALTH INITIATIVE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 175	2.0	\$ 170	2.0
Governor's Recommendation				
General Fund	\$ 175	2.0	\$ 170	2.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds to decrease the prevalence of oral diseases and the total aggregate cost of dental care to Minnesotans. The purpose of the request is to accomplish these objectives by:

- developing dental decay prevention activities
- conducting epidemiologic studies related to oral health
- providing consultation and technical assistance to local agencies for the development of programs for under served persons and special population groups, especially in the areas of dental health education, school programs, model dental programs, nursing home and home care oral health services, and programs for low income and developmentally disabled persons.

DESCRIPTION/BACKGROUND:

Three major areas of initiative are proposed in order to accomplish the above objectives. First, there is a lack of Minnesota oral health data. Data are needed to determine the occurrence and distribution of oral diseases in the Minnesota population so that limited dental public health prevention resources can be targeted to geographic areas and population groups that are in greatest need. Oral epidemiologic and other studies related to oral health are recommended to provide this information.

Second, the combined use of fluorides and dental sealants can almost completely prevent dental decay. Only 75% of Minnesota's population, however, are served by fluoridated water. The remaining 25% (1 million rural, often low income people) do not have access to sufficient fluoride because they receive drinking water from private wells, and do not have access to fluoridated municipal water. In addition, dental sealants are very under-utilized by rural, low income people in Minnesota. These factors place rural, low income Minnesotans at inordinate risk for developing tooth decay which requires extensive treatment expenditures, or if untreated, can result in serious health problems. Activities to improve the access of rural, low

income Minnesotans to fluorides and dental sealants are recommended to remedy this situation. This would include the equipping of certain schools with fluoridation devices.

Third, only limited personnel resources are available to support the development of oral disease prevention programs for the elderly, low income, developmentally disabled, and other special population groups. This deficiency has been detrimental to the agency's ability to provide consultation and to seek grant funding to address these needs, and has resulted in an inability to pursue financial assistance from private sources when offered.

RATIONALE:

Chronic dental conditions often begin early in childhood and cause recurrent pain, dysfunction, and school and work absenteeism throughout life. In 1987, as a result of these oral health problems, dental treatment expenditures in the U.S. approached \$35 billion, and the dental components of the Minnesota Medical Assistance and General Assistance Medical Care Programs cost a total of \$18.3 million. Prevention of oral diseases is the only cost effective method to deal with a health problem of this magnitude.

Implementation of the recommendations listed above would provide a comprehensive, systematic, and cost-effective method of decreasing oral diseases and reducing the pain, disability, and expense incurred by Minnesotans as a result of these conditions.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 114	\$ 117	\$ 119	\$ 127

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 182	\$ 190	\$ 372

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

PROGRAM: HEALTH DELIVERY SYSTEMS
Agency: HEALTH, DEPARTMENT OF

1990-91 Biennial Budget

EXPLANATION OF BUDGET REQUEST:

PROGRAM PURPOSE:

This program consists of the department's activities relating to maternal and child health, the medical care delivery system and Minnesota's community-based public health care delivery system. The objectives of these activities are:

- the protection and promotion of maternal, child and fetal health;
- the protection of the public from inappropriate or substandard health care;
- the containment of medical care costs; and
- the promotion, development and maintenance of a state-supervised, locally-managed system of community public health services.

OPERATION:

This program includes the following operations:

1. Services to approximately 6,500 children annually in the areas of identification, diagnosis and treatment of handicapping conditions through the use of appropriate public and private providers of medical care (Services for Children with Handicaps Program).
2. Services to approximately 73,000 mothers, infants and children annually through state and local administration of the federal Women, Infants and Children (WIC) and Commodity Supplemental Food Programs designed to provide nutrition education and assistance to clients for the purchase of essential healthful foods.
3. Grants and professional technical assistance services to community health services agencies, non-profit corporations, schools and voluntary organizations in the areas of child health screening, family planning, human genetics and general maternal and child health services directed toward assisting low income mothers and children at a high degree of medical risk.
4. Economic analysis, information monitoring and recommendations for policy improvement in the area of medical care cost containment.
5. Protection of consumers of health maintenance organization (HMO) services through regulation of the fiscal stability and benefits and administrative practices of the state's 12 HMOs, with 1.2 million enrollees.
6. Provision of an analytical administrative process through which the practices of members of human services occupations are examined to determine whether state regulation is warranted.
7. Provision of a system of regulation of approximately 1,600 hospitals, nursing homes, boarding care homes, supervised living facilities, home health agencies, and ambulance services in order to assure compliance of these providers with minimum requirements for service provision through standard-setting inspections and sanctions.
8. Provision of a state subsidy and professional technical assistance, including public health nursing expertise, to local public health agencies covering all 87 Minnesota counties for the purpose of providing services to prevent illness, disease and disability.

This request envisions additional state efforts being made to significantly reduce the occurrence and severity of injuries which children experience, as well as to identify problems causing infant mortality and respond quickly to improve the likelihood of infant survival. In addition, we are requesting legislative approval of statutory changes needed to allow the use of federal Maternal and Child Health Block Grant funds in order to maintain the current level of funding for MCH Special Project Grants, instead of allowing those projects to be unfunded, as current law would require.

Because of the rapid pace at which change is occurring in the entire health care marketplace, and because of this state's commitment to monitored competition as the preferred method of responding to those changes, this budget would expand our ability to collect, analyze and disseminate information relating to that market. We are planning for greater state control and collection of hospital discharge information, new activities to stimulate competition among health plans, and staff support to monitor the volatile health care system in the state.

In order to ensure that Emergency Medical Services personnel continue to receive appropriate training, this budget requests funds to replace federal Department of Transportation funding which had provided for those training and testing costs. Also, this budget, in conjunction with that of the DOHS, contains requests for funding which will allow the state to implement new federal requirements relating to nursing home regulation and quality contained in the Nursing Home Reform Act.

Finally, in order to allow local Community Health Boards to receive the funding necessary for them to respond to increasingly complex local public health issues, to provide funding at the authorized level, and to fulfill commitments made to those boards, this budget requests funding of the Community Health Services Block Grant at the full authorized level, adjusted for inflation since 1985.

GOVERNOR'S RECOMMENDATION:

The Governor recommends a general fund BASE of \$42,600,000 and a biennial increase of \$7,164,000 for the 1990-91 biennial budget.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HEALTH,DEPT OF
PROGRAM : HEALTH DELIVERY SYST

ACTIVITY EXPENDITURES:	F.Y. 1990						F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
MATERNAL&CHILD HEALTH	41,033	46,381	47,864	498	48,362	48,362	47,864	462	48,326	48,326	
A TRANSFER PUBLIC HEALTH FUND TO GENERAL	GEN			0		1,389		0		1,389	
A TRANSFER PUBLIC HEALTH FUND TO GENERAL	PHLT			0		<1,389>		0		<1,389>	
B INFANT MORTALITY REDUCTION	GEN			174		174		174		174	
B CHILDHOOD INJURY REDUCTION	GEN			274		274		238		238	
B COMMUNITY LEAD ABATEMENT PROJECT	MNRS			50		50		50		50	
HEALTH SYS DEVELOPMENT		792	1,198	1,185	804	1,989	1,185	949	2,134	1,759	
B REGISTRATION SYSTEM REVOLVING FUND	GEN			80		80		24		24	
B HEALTH CARE INFORMATION SYSTEM	GEN			425		303		678		303	
B MEDICAL CARE PLANNING	GEN			210		210		145		145	
B HEALTH PLAN COMPETITION	GEN			72		72		102		102	
B ACUPUNCTURE REGULATION	GEN			17		0		0		0	
HEALTH RESOURCES		10,882	12,411	12,105	525	12,630	12,105	525	12,630	12,630	
B EMS TESTING COSTS	TH			125		125		125		125	
B POISON INFORMATION SERVICES	GEN			400		400		400		400	
B TRANSFER EMS TO TRUNK HIGHWAY FUND	GEN			0		<650>		0		<650>	
B TRANSFER EMS TO TRUNK HIGHWAY FUND	TH			0		650		0		650	
COMMUNITY HEALTH SERVICES		13,865	13,879	13,904	1,525	15,429	13,904	4,040	17,944	17,944	
A TRANSFER PUBLIC HEALTH FUND TO GENERAL	GEN			0		363		0		363	
A TRANSFER PUBLIC HEALTH FUND TO GENERAL	PHLT			0		<363>		0		<363>	
B COMMUNITY HEALTH SERVICES SUBSIDY	GEN			1,525		1,525		4,040		4,040	
TOTAL EXPENDITURES		66,572	73,869	75,058	3,352	78,410	75,058	5,976	81,034	80,659	
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL		20,890	22,826	21,300	3,177	24,477	21,300	5,801	27,101	27,828	

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HEALTH,DEPT OF
PROGRAM : HEALTH DELIVERY SYST

SOURCES OF FINANCING:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
SP REV DIRECT APPROP	0	100	100	0	100	100	100	0	100	100
MN RESOURCES	0	0	0	50	50	50	0	50	50	50
PUBLIC HEALTH	1,701	1,739	1,752	0	1,752	0	1,752	0	1,752	0
TRUNK HIGHWAY	549	566	566	125	691	1,341	566	125	691	1,341
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	6,207	7,249	7,249	0	7,249	7,249	7,249	0	7,249	7,249
FEDERAL	37,224	41,352	44,054	0	44,054	44,054	44,054	0	44,054	44,054
GIFTS AND DEPOSITS	1	37	37	0	37	37	37	0	37	37
TOTAL FINANCING	66,572	73,869	75,058	3,352	78,410	78,271	75,058	5,976	81,034	80,659
POSITIONS BY FUND:										
GENERAL	82.1	90.6	90.6	15.8	106.4	122.4	90.6	16.3	106.9	121.9
PUBLIC HEALTH	19.0	19.0	19.0	0.0	19.0	0.0	19.0	0.0	19.0	0.0
SPECIAL REVENUE	157.8	157.9	178.9	0.0	178.9	178.9	178.9	0.0	178.9	178.9
TRUNK HIGHWAY	11.0	11.0	11.0	1.0	12.0	12.0	11.0	1.0	12.0	12.0
FEDERAL	82.3	87.6	87.6	0.0	87.6	87.6	87.6	0.0	87.6	87.6
TOTAL POSITIONS	352.2	366.1	387.1	16.8	403.9	400.9	387.1	17.3	404.4	400.4

ACTIVITY: MATERNAL AND CHILD HEALTH (MCH)
 Program: HEALTH DELIVERY SYSTEMS
 Agency: HEALTH, DEPARTMENT OF

1990-91 Biennial Budget

REVENUE: This activity generates dedicated revenue

PURPOSE:

The Maternal and Child Health (MCH) activity funds services in 3 categories.

1. MCH Grants and Technical Coordination provides guidelines and technical assistance for the state's child health and developmental screening programs. Consultation is provided to physicians and counseling to patients and family members with known or suspected genetic diseases. In addition, grants and technical assistance are provided to a variety of locally based programs in 87 counties which have an impact on MCH needs throughout the state.
2. Services for Children with Handicaps (SCH) provides for the identification, diagnosis and treatment of children with handicapping or potentially handicapping conditions, caused by birth defects, congenital cardiac lesions, hereditary disease, or chronic diseases such as diabetes, cystic fibrosis or cancer. SCH services are delivered through field clinics and by referral to medical centers for specialty treatment. Reimbursement is provided for a portion of the cost of care for children whose families cannot afford the full expense.
3. Food Supplement Programs provide standards, technical assistance, training, grants management, program and fiscal monitoring, and related support to local subgrantees of the Special Supplemental Food Program for Women, Infants and Children (WIC) and the Commodity Supplemental Food Program (CSFP). WIC and CSFP participants receive nutrition education, assistance in arranging for other health services, and supplemental foods.

Statutory References: M.S. 144.146, 145.88-145.889, 145.891-145.897, 145.925

PERFORMANCE INDICATORS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of persons served through agencies receiving family planning grants	55,000	55,000	55,000	55,000
No. of persons served through agencies receiving MCH Special Projects Grants	46,000	46,000	46,000	46,000
No. of MCH workshops/participants	125/2,900	136/3,060	128/2,900	136/3,060
No. of SCH field clinics held	217	200	175	175
No. of children served in SCH field clinics	2,596	2,200	2,000	2,000
No. of SCH children served in medical facilities	3,678	3,500	3,500	3,500
No. of SCH consultations	8,506	8,000	8,000	8,000
No. of WIC participants served (avg./mo.)	59,245	66,465	69,581	69,581
% of total WIC eligible served	60.6	67.9	71.1	71.1
No. of WIC pregnant women served (ave./mo.)	6,887	7,667	8,434	9,277
No. of CSFP participants served (avg./mo.)	1,061	2,706	2,788	2,788

(Dollars in Thousands)

Type of Revenue	Actual F.Y. 1988	Estimate F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Dedicated General	\$ -0-	\$ 119	\$ 119	\$ 119

GRANTS AND AID:

1. Family Planning Grants: Sixty local subgrantees receive funds for purposes of improving and expanding pre-pregnancy family planning services. Grants are awarded on a competitive basis in accordance with criteria which are specified in department administrative rules.

(Dollars in Thousands)

Grants by Fund:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General	\$ 1,957	\$ 2,033	\$ 2,033	\$ 2,033

2. Maternal and Child Health (MCH) Special Project Grants: Fifty-five local subgrantees receive funds for purposes of assuring that mothers and children have access to quality health care services. Forty-nine of these grants are targeted to programs that improve pregnancy outcomes, meet the special medical needs of children with handicapping conditions, or provide family planning services. The other 6 grants fund a variety of program activities including well child care, adolescent health services, and dental health services.

(Dollars in Thousands)

Grants by Fund:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General	\$ 609	\$ 610	\$ -0-	\$ -0-
Public Health	700	700	700	700
Federal	3,892	4,886	6,338	6,338
TOTAL	\$ 5,201	\$ 6,196	\$ 7,038	\$ 7,038

3. Services for Children with Handicaps (SCH) Treatment: Payments are made to hospitals and/or private medical, dental, and surgical providers throughout the state for authorized treatment/rehabilitative services for children with handicapping conditions. The children for whom payments are made are determined to be financially and medically eligible in accordance with department administrative rules in which criteria are specified, including a cost sharing requirement. SCH pays for approximately 49% of the authorized care for eligible children with the remainder being paid by insurance (50%), Medicaid and the family (1%).

(Dollars in Thousands)

Grants by Fund:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General	\$ 2,389	\$ 2,820	\$ 2,368	\$ 2,368

4. Special Supplemental Food Program for Women, Infants and Children (WIC): Sixty-one local subgrantees receive funds for purposes of conducting outreach, determining participant eligibility, providing nutrition education, and making referrals for other health services.

In F.Y. 1988, approximately 59,000 participants per month received WIC vouchers that could be exchanged at approved vendors for specified foods which were determined on the basis of nutritional risk. As a cost containment measure, the department negotiated a sole source contract for

ACTIVITY: MATERNAL AND CHILD HEALTH (MCH)
 (Continuation)
 Program: HEALTH DELIVERY SYSTEMS
 Agency: HEALTH, DEPARTMENT OF

1990-91 Biennial Budget

infant formula with Ross Laboratories. This resulted in a cost savings of approximately \$4.9 million per year which will be used to increase the participation level to approximately 69,500 per month by F.Y. 1990.

Grants by Fund:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General	\$ 500	\$ 700	\$ 700	\$ 700
Federal	25,803	29,942	31,092	31,092
TOTAL	\$ 26,353	\$ 30,642	\$ 31,792	\$ 31,792

5. Commodity Supplemental Food Program (CSFP): Local subgrantees in Olmsted and Ramsey Counties receive funds for purposes of conducting outreach, determining participant eligibility, providing nutrition education, making referrals for other health services, providing storage and maintaining an inventory of commodity foods, and distributing supplemental foods to participants. The type and amount of supplemental food received by participants is established in federal regulations. CSFP was initiated in Olmsted and Ramsey counties during F.Y. 1988 and, at present, serves pregnant women, post partum women up to 12 months after delivery, infants, and children up to the 6th birthday whose family income is less than 185% of the poverty level. On 1-1-89, the department intends to petition USDA to allow the program to also serve persons 60 years of age or older whose family income is less than 130% of the poverty level.

Grants by Fund:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Federal	\$ 48	\$ 91	\$ 91	\$ 91

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HEALTH,DEPT OF
PROGRAM : HEALTH DELIVERY SYST
BUDGET ACTIVITY : MATERNAL&CHILD HEALTH

EXPENDITURES:			F.Y. 1990			F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	3,130	3,657	3,665	204	3,869	3,869	3,665	204	3,869	3,869
EXPENSES/CONTRACTUAL SRVCS	1,683	1,504	1,339	274	1,613	1,613	1,339	242	1,581	1,581
MISC OPERATING EXPENSES	228	151	151	6	157	157	151	6	157	157
SUPPLIES/MATERIALS/PARTS	133	51	51	14	65	65	51	10	61	61
CAPITAL EQUIPMENT	23	22	22	0	22	22	22	0	22	22
REDISTRIBUTIONS	838	700	700	0	700	700	700	0	700	700
STATE OPERATIONS	6,035	6,085	5,928	498	6,426	6,426	5,928	462	6,390	6,390
AIDS TO INDIVIDUALS	23,400	31,672	32,470	0	32,470	32,470	32,470	0	32,470	32,470
LOCAL ASSISTANCE	11,598	8,624	9,466	0	9,466	9,466	9,466	0	9,466	9,466
TOTAL EXPENDITURES	41,033	46,381	47,864	498	48,362	48,362	47,864	462	48,326	48,326
CHANGE REQUESTS: FUND										
A TRANSFER PUBLIC HEALTH FUND TO GENERAL	GEN			0		1,389		0		1,389
A TRANSFER PUBLIC HEALTH FUND TO GENERAL	PHLT			0		<1,389>		0		<1,389>
B INFANT MORTALITY REDUCTION	GEN			174		174		174		174
B CHILDHOOD INJURY REDUCTION	GEN			274		274		238		238
B COMMUNITY LEAD ABATEMENT PROJECT	MNRS			50		50		50		50
TOTAL CHANGE REQUESTS				498		498		462		462
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	5,273	6,275	5,050	448	5,498	6,887	5,050	412	5,462	6,851
MN RESOURCES	0	0	0	50	50	50	0	50	50	50
PUBLIC HEALTH	1,343	1,383	1,389	0	1,389	0	1,389	0	1,389	0
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	38	56	56	0	56	56	56	0	56	56
FEDERAL	34,379	38,667	41,369	0	41,369	41,369	41,369	0	41,369	41,369
TOTAL FINANCING	41,033	46,381	47,864	498	48,362	48,362	47,864	462	48,326	48,326

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HEALTH,DEPT OF
PROGRAM : HEALTH DELIVERY SYST
BUDGET ACTIVITY : MATERNAL&CHILD HEALTH

SOURCES OF FINANCING:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
POSITIONS BY FUND:										
GENERAL	11.0	14.0	14.0	6.0	20.0	30.0	14.0	6.0	20.0	30.0
PUBLIC HEALTH	10.0	10.0	10.0	0.0	10.0	0.0	10.0	0.0	10.0	0.0
SPECIAL REVENUE	1.0	1.1	1.1	0.0	1.1	1.1	1.1	0.0	1.1	1.1
FEDERAL	70.8	74.1	74.1	0.0	74.1	74.1	74.1	0.0	74.1	74.1
TOTAL POSITIONS	92.8	99.2	99.2	6.0	105.2	105.2	99.2	6.0	105.2	105.2

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MATERNAL AND CHILD HEALTH (MCH)
 PROGRAM: HEALTH DELIVERY SYSTEMS
 AGENCY: HEALTH, DEPARTMENT OF

REQUEST TITLE: INFANT MORTALITY REDUCTION INITIATIVE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 174	1.0	\$ 174	1.0

Governor's Recommendation

General Fund	\$ 174	1.0	\$ 174	1.0
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Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests these funds to investigate the reasons for lack of improvement in Minnesota's infant mortality rate and to establish an ongoing rigorous infant mortality surveillance system. The objective is to identify problems causing infant mortality and respond promptly to improve the likelihood of infant survival.

DESCRIPTION/BACKGROUND:

From 1970 to 1979 Minnesota's infant mortality rate fell from 17.6 deaths per 1000 live births to approximately 10 deaths. Since then, the infant mortality rate has remained close to 9.2, as reported in 1986. This failure to further decrease infant deaths persists in the face of improved use of perinatal centers for high risk pregnancy delivery and in spite of improved perinatal survival for low birth weight infants.

More rigorous pursuit of social, medical and related information, which affects birth outcome must be undertaken to focus our infant mortality prevention efforts. Preliminary efforts to investigate this problem have been made by funding a perinatal mortality study. It is evident, however, that we need to extend this investigation beyond the hospital setting and beyond the perinatal period.

A precedent for the intensive investigation of infant mortality was a maternal mortality study which was supported by hospitals and physicians. This study involved a detailed review of all maternal deaths in Minnesota in order to identify the causes and determine what measures could be taken to prevent them from occurring in the future. A similar collaborative approach will be required for investigating the causes of infant mortality.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. of infant deaths	610	610	580	555

RATIONALE:

Infant mortality is a measure of the quality of life for the citizens of Minnesota. Loss of life in the 1st year results in a high cost both emotionally and economically. For each infant death, there are several infants who survive with impaired quality of life, needing extensive family and community resources. National estimates indicate that, for each \$1.00 invested in prenatal care, up to \$3.00 are saved in subsequent medical costs after delivery. A variety of strategies exist to have an impact on birth outcomes, including pregnancy planning, prenatal care, postpartum education and support of parenting, and health supervision of young children.

BASE: None.

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 183	\$ 192	\$ 375

GOVERNOR'S RECOMMENDATION:

This request is a component of the Governor's Childrens Initiative, and full funding of the request is recommended.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MATERNAL AND CHILD HEALTH (MCH)
 PROGRAM: HEALTH DELIVERY SYSTEMS
 AGENCY: HEALTH, DEPARTMENT OF

REQUEST TITLE: CHILDHOOD INJURY REDUCTION INITIATIVE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 274	5.0	\$ 238	5.0
Governor's Recommendation				
General Fund	\$ 274	5.0	\$ 238	5.0

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 1986, Sec. 145.822, Subd. 7

STATEMENT OF REQUEST/OBJECTIVE:

The department requests these funds to establish a new childhood injury reduction initiative. The objective of the initiative is to significantly reduce the occurrence and severity of injuries that children experience.

DESCRIPTION/BACKGROUND:

In January of 1988, the MCH Advisory Task Force established a special work group to study the issue of childhood injuries in Minnesota. During the next 5 months, the work group collected information on the epidemiology of childhood injuries, existing programs in Minnesota and the efforts of other states to address this problem. The work group identified a specific set of intervention strategies and recommended that funding be sought for their implementation.

These recommendations are contained in a document prepared by the work group entitled "Minnesota Childhood Injury Reduction Initiative". At its June 1988 meeting, the full MCH Advisory Task Force reviewed and unanimously adopted the recommendations contained in the initiative. Key among these are proposals for:

1. establishing a core Department program to address childhood injury prevention;
2. improving coordination among state and local agencies currently involved in safety programs;
3. collecting information to better identify types and causes of injuries; and
4. providing technical assistance on the design and development of local injury control programs.

The funding for local programs would be provided by amending M.S. 1986, Sec. 145.822, Subd. 7 to include efforts to reduce childhood injuries as an eligible category for MCH formula grants.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. Child Injury Deaths	356	356	340	325
No. Child Injury Hospitalizations	10,900	10,900	10,400	9,900
No. Child Injury ER Visits	292,000	292,000	278,000	264,000

RATIONALE:

Injuries are the leading cause of death for Minnesota's children and they are also responsible for large numbers of hospitalizations and emergency room visits each year. Once thought to be random acts of fate or "accidents", injuries are now understood to arise from a predictable set of circumstances which involve interactions between the physical environment and a child's behavior. As such, successful intervention strategies can be designed and implemented which significantly reduce the occurrence and severity of injuries by modifying the hazardous characteristics of the environment or the child's behavior within that environment. To date, however, comparatively few resources have been targeted to injury reduction programs. The department has successfully applied for a \$50,000 per year grant from the Centers for Disease Control, but it will be available for only a 3-year period. Therefore, the department requests funding to establish a core program focused on the reduction of childhood injuries.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 238	\$ 238	\$ 476

GOVERNOR'S RECOMMENDATION:

This request is a component of the Governor's Children's Initiative, and full funding of the request is recommended.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MATERNAL AND CHILD HEALTH (MCH)
 PROGRAM: HEALTH DELIVERY SYSTEMS
 AGENCY: HEALTH, DEPARTMENT OF

REQUEST TITLE: COMMUNITY LEAD ABATEMENT PROJECT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
MN Resources Fund	\$ 50	-0-	\$ 50	-0-

Governor's Recommendation

MN Resources Fund	\$ 50	-0-	\$ 50	-0-
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Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

Funds are requested for purposes of contracting with Lead Free Kids, Inc. (a private, for profit corporation) to conduct a demonstration project which will attempt to determine the benefits of clean-up of lead contaminated exterior and interior dust on children's blood levels.

DESCRIPTION/BACKGROUND:

The 1988 Legislature appropriated \$100,000 to the department for a community lead abatement project. A Request for Proposals (RFP) was published in the State Register and responses were received from Lead Free Kids, Inc. and the Indian Health Board. These 2 responses to the RFP were reviewed by the statutory Maternal and Child Health Advisory Task Force. The Indian Health Board proposal, which focused on the removal of lead based paint, was recommended by the Task Force and funded by the department. Subsequently, Lead Free Kids, Inc. submitted their proposal to LCMR, where it was approved for inclusion in the F.Y. 1990-91 budget request.

STATISTICS:

Lead Free Kids, Inc. proposes to involve (including controls) approximately 100 children in their demonstration project.

RATIONALE:

Exposure to lead is a concern for children between the ages of 9 months and 6 years. Lead Free Kids, Inc. will attempt to test the hypothesis that a reduction in environmental exposure to lead sources in interior and exterior dust, and information about how to prevent environmental exposure to lead will result in a statistically significant decrease in blood levels in children.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
LCMR	\$ -0-	\$ -0-	\$ 50	\$ 50

LONG RANGE IMPLICATIONS: None.

GOVERNOR'S RECOMMENDATION:

The Governor recognizes the authority of the Minnesota Future Resources Commission (MFRC, formerly the LCMR) to make budget recommendations directly to the legislature. While the Governor's budget reflects these recommendations in various agency proposals, the MFRC will present an entire package to the State Departments Division for legislative action.

ACTIVITY: HEALTH SYSTEMS DEVELOPMENT
Program: HEALTH DELIVERY SYSTEMS
Agency: HEALTH, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

To regulate health maintenance organizations (HMOs) and speech/hearing professionals to ensure compliance with applicable laws and rules, so that HMO enrollees and consumers of speech/hearing services are protected. To monitor activities in the health care market relating to cost of health care, access to health care and health care quality, to identify potential problem areas and make recommendations to executive branch and legislative policy makers as to appropriate solutions.

The Health Systems Development Division is organized into 3 management-level activities:

1. Health Economics Program (HEP): This activity fosters state goals relating to health care costs, access and quality by formulating policy recommendations and facilitating competition. The activity administers the Health Care Cost Information System by collecting, analyzing and disseminating hospital and surgical center price information.

Policy development entails identifying and/or evaluating state actions to

- 1) enhance purchasers' skills or otherwise foster conditions for competitive markets;
- 2) preserve Minnesotans' access to health care; and
- 3) assure that competitive market forces do not result in serious quality of care problems.

To facilitate competition, the activity provides health care purchasers with information about providers' products and prices and about buying techniques to increase competitive pressures. The activity prepares a biennial report to the Governor and the Legislature on Minnesota health care markets and the status of the state's cost, access and quality goals.

2. Health Maintenance Organizations (HMOs): This activity provides consumer protection services for 1,200,000 enrollees of 13 HMOs in the areas of financial stability, quality of care, scope of benefits and other minimum requirements of state law and rules. The activity assures common operating standards for health maintenance organizations in order that fair, equitable competition can be maintained and that consumer needs are adequately met.

The activity protects HMO enrollees by assessing

1. the financial viability of HMOs;
2. risks assumed by provider groups;
3. benefits offered in HMO contracts; and
4. HMO quality assurance functions.

Enrollees rely on these assessments for assurance of continued availability of needed HMO services.

In F.Y. 1988 a CHANGE level was implemented for 5.0 new positions and \$161,200 increase in budget allocation for this activity. In F.Y. 1989 an additional increase of 4.0 new positions and \$161,200 increase in budget

allocation was implemented. These CHANGE levels enabled the activity to significantly increase performance in the F.Y. 1988-89 biennium.

3. Health Occupations Program (HOP): This activity administers a process through which human service occupational groups can become credentialed by the state. Requests for credentialing are evaluated on the basis of 4 review factors:

- the possibility of public harm from the unregulated practice of an occupation;
- specialized skill or training required;
- other means of effectively protecting the public; and
- the cost effectiveness and economic impact of regulation.

The process includes input from the public, professional groups and an advisory council. The program provides technical assistance and advice to the legislature on regulation of human service occupations.

The activity also regulates the occupations speech-language pathology, audiology and hearing instrument dispensing. The activity registers these occupations, and administers a complaint system and a consumer information center for potential and actual purchasers of hearing instruments.

PERFORMANCE INDICATORS

<u>HEALTH ECONOMICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of Facilities Reporting	173	171	168	168
No. of Policy Studies and Major Reports	7	7	4	5

HEALTH MAINTENANCE ORGANIZATIONS:

No. of HMOs	13	13	13	13
No. of Enrollees (000s)	1,216	1,277	1,341	1,408
Examinations Conducted	3	14	14	12
Complaints Received	478	525	575	625
Requests for Operating Changes	374	375	375	375

HEALTH OCCUPATIONS:

Applications Received	2	1	1	1
No. of Written Complaints	0	100	200	300
Public Information Programs	0	2	5	10

REVENUE

This activity generates non-dedicated revenues.

<u>Type of Revenue:</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Non-Dedicated	\$ 444	\$ 644	\$ 676	\$ 710
Dedicated - Special	-0-	90	90	90
TOTAL REVENUE	\$ 444	\$ 734	\$ 766	\$ 800

ACTIVITY DESCRIPTION:

The Health Economics Program has 3 main purposes: 1) to analyze acute health care market conditions and trends; 2) to undertake activities to stimulate

ACTIVITY: HEALTH SYSTEMS DEVELOPMENT
 (Continuation)
 Program: HEALTH DELIVERY SYSTEMS
 Agency: HEALTH, DEPARTMENT OF

1990-91 Biennial Budget

competition in acute health care markets; and 3) to recommend and promote state policies that are consistent with state objectives regarding acute health care costs, access and quality.

The Health Care Cost Information System (HCCIS) has been administered in recent years by a voluntary nonprofit reporting organization (VNRO). Hospitals submit fees directly to the VNRO, so the approximately \$240,000 per year fee revenue does not enter the state budget. For the 1990-91 biennium, the Health Economics Program plans to switch to HCCIS administration through a contractual agreement. See the CHANGE request described below.

ACTIVITY OBJECTIVES:

To carry out its objectives, the program prepares a report for the Governor and Legislature every 2 years, addressing the status of competition and recommending state actions that may further the goals of health care accessibility, quality and efficiency. Reports on hospital and ambulatory surgery costs are produced and disseminated to purchasers. Issue papers and policy analyses consider appropriate state roles in relation to particular problems (e.g. hospital charity care, state data initiatives, health plan regulatory changes, rural hospital financial distress). The program also provides technical assistance, administers the Health Care Cost Information System, and reviews health care equipment loan applications and applications for tax-exempt bond issues.

<u>PERFORMANCE MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Hospitals submitting financial information	165	163	160	160
Surgery centers submitting financial information	8	8	8	8
Health Care Markets Report	1	1	0	1
Policy Studies	6	6	4	4
HCCIS: # facility cost 9 reports published	173	170	168	168
Reports for Employers	2	2	2	2
Review loan applications	5	3	3	3

EXPLANATION OF BUDGET REQUEST
CHANGE REQUESTS

	<u>Actual</u> <u>F.Y. 1988</u>	<u>Estimate</u> <u>F.Y. 1989</u>	<u>Estimate</u> <u>F.Y. 1990</u>	<u>Estimate</u> <u>F.Y. 1991</u>
Health Care Information System: Improve administration of HCCIS, collect data on facility performance, create hospital discharge and ambulatory surgery data base. Requires an appropriation and increased staff. See CHANGE request sheet following the Health Economics fiscal page.	0	0	424	678
Health Plan Competition: Projects designed to increase purchasers' knowledge of health plan premiums and consumer satisfaction require an appropriation and increased staff. See CHANGE request sheet following the Health Economics fiscal page.	0	0	72	100
Medical Care Planning: Increased staff and an appropriation are needed to address access and quality concerns, particularly in Greater Minnesota. See CHANGE request following the Health Economics Program fiscal page.	0	0	210	145

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HEALTH,DEPT OF
PROGRAM : HEALTH DELIVERY SYST
BUDGET ACTIVITY : HEALTH SYS DEVELOPMENT

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	670	1,012	999	348	1,347	1,223	999	370	1,369	1,209
EXPENSES/CONTRACTUAL SRVCS	40	125	125	402	527	519	125	520	645	439
MISC OPERATING EXPENSES	22	39	39	29	68	67	39	37	76	73
SUPPLIES/MATERIALS/PARTS	25	8	8	10	18	17	8	9	17	17
CAPITAL EQUIPMENT	35	14	14	15	29	24	14	13	27	21
TOTAL EXPENDITURES	792	1,198	1,185	804	1,989	1,850	1,185	949	2,134	1,759
CHANGE REQUESTS:										
	FUND									
B REGISTRATION SYSTEM REVOLVING FUND					80	80			24	24
B HEALTH CARE INFORMATION SYSTEM					425	303			678	303
B MEDICAL CARE PLANNING					210	210			145	145
B HEALTH PLAN COMPETITION					72	72			102	102
B ACUPUNCTURE REGULATION					17	0			0	0
TOTAL CHANGE REQUESTS					804	665			949	574
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	727	987	974	804	1,778	1,639	974	949	1,923	1,548
SP REV DIRECT APPROP	0	100	100	0	100	100	100	0	100	100
STATUTORY APPROPRIATIONS:										
FEDERAL	65	74	74	0	74	74	74	0	74	74
GIFTS AND DEPOSITS	0	37	37	0	37	37	37	0	37	37
TOTAL FINANCING	792	1,198	1,185	804	1,989	1,850	1,185	949	2,134	1,759
POSITIONS BY FUND:										
GENERAL	19.0	23.0	23.0	9.8	32.8	29.8	23.0	10.3	33.3	29.3
FEDERAL	3.0	2.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HEALTH,DEPT OF
PROGRAM : HEALTH DELIVERY SYST
BUDGET ACTIVITY : HEALTH SYS DEVELOPMENT

POSITIONS BY FUND:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
TOTAL POSITIONS	22.0	25.0	25.0	9.8	34.8	31.8	25.0	10.3	35.3	31.3

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

BASE: None.

ACTIVITY: HEALTH SYSTEMS DEVELOPMENT
 PROGRAM: HEALTH DELIVERY SYSTEMS
 AGENCY: HEALTH, DEPARTMENT OF

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 16	\$ 8	\$ 24

REQUEST TITLE: REGISTRATION SYSTEM REVOLVING FUND

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 80	2.0	\$ 24	1.0

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

Governor's Recommendation

General Fund	\$ 80	2.0	\$ 24	1.0
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Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 214.06

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests these funds to establish an account to cover the costs associated with implementing registration systems for occupations which the commissioner has recommended be regulated by a system of title protection. Registration system start up costs would be repaid over a 5 year period by regulated individuals through a surcharge on annual registration fees.

DESCRIPTION/BACKGROUND:

M.S. Sec. 214.001 et seq., authorizes the commissioner to register unregulated health occupations if registration is deemed the appropriate regulatory mode. However, the commissioner must seek an appropriation from the legislature to actually implement registration systems because M.S. Sec. 214.06 did not initially appropriate funds for this purpose.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Commissioner Determinations to Regulate by Registration	3	2	1	1
Registration Systems Established	0	3*	2	1

* Funds appropriated to establish registration systems for Speech-Language Pathologists, Audiologists and Hearing Instrument Dispensers in Session Laws 1988, Ch. 689.

RATIONALE:

Creation of a revolving fund would obviate the need to prepare and introduce legislation to obtain a special appropriation each time the commissioner determines that registration is the proper mode of regulation for a health occupation.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: HEALTH SYSTEMS DEVELOPMENT
 PROGRAM: HEALTH DELIVERY SYSTEMS
 AGENCY: HEALTH, DEPARTMENT OF

REQUEST TITLE: HEALTH CARE INFORMATION SYSTEM

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 425	4.0	\$ 678	5.0
Governor's Recommendation General Fund	\$ 303	1.0	\$ 303	1.0

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 144.695-703

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests these funds to alter the method of funding its activities related to acute and ambulatory health care data, and to expand these activities. The request is composed of 3 parts, each of which pertains to health care information which is needed to evaluate and develop public policies and/or to strengthen market forces through dissemination to health care purchasers. Part A provides General Fund financing for current Health Care Cost Information System (HCCIS) activities, which include collecting, analyzing, and disseminating hospital and surgery center financial and statistical data. In the past, the activity has been funded by facility fees paid directly to a private data collection organization. With the requested change, facilities will pay fees into the General Fund, and the agency will contract for data collection services with the most suitable vendor. Part B extends the HCCIS scope to include non-financial as well as financial measures of hospital and surgery center performance. Both financial and non-financial performance information will be compiled and disseminated to purchasers. Part C enables the agency to collect and analyze hospital discharge data and to plan to collect and analyze ambulatory surgery data. Analyses of hospital and ambulatory surgery data on service use rates and provider practice styles will be actively disseminated, initially to health care providers, and subsequently to individual and group purchasers such as employers and labor unions. All General Fund appropriations for this request would be recovered through assessments on health care providers.

DESCRIPTION/BACKGROUND:

A. The HCCIS provides financial and statistical information about hospitals and surgery centers for public policy analysis, and for health care purchasers. M.S. 144.695-703 grants the Commissioner of Health authority to administer the HCCIS internally, to approve a "voluntary nonprofit reporting organization (VNRO)," or to contract with a 3rd party. Since the program's inception, a VNRO has administered the reporting requirements, each year receiving fee income directly from health care facilities, as specified in the act. The agency believes greater management control will be afforded by directly contracting for the services. In order to award a contract, the agency needs an appropriation. General Fund fin-

ancing would be fully recovered by collecting from health care facilities the same fee income which is now paid to the VNRO.

- B. Purchasers are increasingly demanding non-financial (performance-related) information, and producers have been slow to respond. The agency believes mandated disclosure of the non-financial performance of providers is needed, to help purchasers assess the value of services available from competing providers.
- C. In recent years, innovative studies which apply epidemiological concepts to health services delivery have revealed remarkable variability across communities in the medical services provided for given conditions. These studies raise the prospect that enormous savings might be achieved, with little or no threat to patients' health, by moving practitioners toward more conservative practice styles. The agency will establish hospital discharge and ambulatory surgery data bases, and will analyze service use rate and provider practice patterns to establish Minnesota-specific utilization norms and provider practice profiles. This will enable us to identify communities and specific providers who are on the high-use end of the scale. Analyses can also reveal areas of excessively low service delivery rates, which may be grounds for public health concerns. The agency intends to begin development of a hospital discharge data base in F.Y. 1990, and to begin planning for an ambulatory surgery data base in F.Y. 1991.

<u>STATISTICS:</u>	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Facilities reporting financial data	173	173	173	173
Facilities reporting non-financial performance data	-0-	-0-	173	173
Hospital discharges analyzed	-0-	-0-	-0-	485,000

RATIONALE:

- A. Improved access to information for public policy analysis, and improved administrative productivity are expected from administering the HCCIS through a competitive contract, rather than through approval of a "voluntary non-profit reporting organization."
- B. Non-financial, as well as financial, aspects of health care must be considered by purchasers in order for competitive markets to produce desired outcomes. Little "performance-related" data has been made available in the marketplace. A state mandate will speed the process and foster state-of-the-art improvements in such measures.
- C. Analysis of provider practice patterns from hospital discharge data bases is gaining widespread acceptance and use across the country as a means to improve the efficiency of health care delivery. The agency believes this activity is valuable and worth the investment required. Public sector activity is needed here to realize economies-of-scale, to overcome barriers arising from proprietary self-interests, and as a basic investment in knowledge of appropriate health care delivery. Current department effort is in the area of setting program standards and overseeing the administration of data collections and report production by the voluntary non-profit organization.

<u>BASE:</u>	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 50	\$ 50	\$ 50	\$ 50

CHANGE REQUEST 1990-91 Biennial Budget
 _____ Agency _____ Program X Activity
 (Continuation)

ACTIVITY: HEALTH SYSTEMS DEVELOPMENT
 PROGRAM: HEALTH DELIVERY SYSTEMS
 AGENCY: HEALTH, DEPARTMENT OF

<u>LONG RANGE IMPLICATIONS:</u>	(Dollars in Thousands)		
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Total</u>
General Fund Expenditures	\$ 1,130	\$ 1,130	\$2,260

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for a biennial reduction of \$497,000 and 4.0 positions. This recommendation funds the current level of effort for the Health Care Cost Information System and will be recovered by fees and returned to the General Fund as non-dedicated receipts. This request is essentially a source of funding change; actual fees charged to providers will remain the same as currently charged by the VNRO.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: HEALTH SYSTEMS DEVELOPMENT
 PROGRAM: HEALTH DELIVERY SYSTEMS
 AGENCY: HEALTH, DEPARTMENT OF

REQUEST TITLE: MEDICAL CARE PLANNING

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 210	2.5	\$ 145	2.5
Governor's Recommendation				
General Fund	\$ 210	2.5	\$ 145	2.5

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 144.695-703

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests funds to support a Medical Care Planning unit. The request is composed of 3 parts. Part A provides basic program support covering 2.0 professional positions and 1.0 clerical position. Part B funds consumer surveys concerning access to health plan coverage and health services. Part C funds biennial development of estimates of aggregate health service expenditures in Minnesota, by type of expenditure and source of funds.

DESCRIPTION/BACKGROUND:

- A. With the repeal of the Federal Health Planning Act in 1986, there is no longer an entity in state government responsible for identifying the health care needs of the citizens of Minnesota, and evaluating the capability of the health care system to meet those needs now or in the future. To work toward assuring acceptable health services delivery, particularly in rural areas of the state, planning unit activities would assess access and quality standards, monitor the market for trends which alert policy makers to potential access and/or quality problems, and propose policy initiatives in response to these problems.
- B. Health care market developments are creating threats to both geographic and financial access to health services. To develop state policies which ensure adequate access, policy makers need to understand the extent of current or potential access problems. An ongoing telephone survey of residents of Minnesota would provide needed information, expanding on the small amount of relevant data now collected in the department's health risk behavior telephone survey.
- C. State-level estimates of health care expenditures enable state policy makers to track increases in health spending and changes in expenditure patterns by type and source. The federal Health Care Financing Administration prepares estimates of national health care expenditures. Occasionally in the past they have developed state-level estimates, but not since 1982, and not regularly. Minnesota-specific estimates were

prepared for the years 1976 to 1985 by researchers at the University of Minnesota, but were subsequently discontinued. This request will fund the agency to develop estimates biennially of Minnesota health service expenditures by type and by source. Major "type of expenditures" categories include hospitals, physicians, dental, drugs, vision, other professional services, nursing homes, and other health services. Major "source of expenditures" categories are public (federal, state, and local) and private (commercial insured, HMOs, out-of-pocket, and philanthropy).

RATIONALE:

- A. We believe there is a need for state-level medical care planning at this time. While the state relies primarily on competitive market forces to improve efficiency, access to services and quality may be endangered by the forces of vigorous competition. In rural areas, 6 hospitals have failed, and more than 20 other hospitals are in precarious financial condition. Some areas have insufficient numbers of physicians, nurses or other health professionals. Funds are less accessible to cross subsidize health services provided to the poor. A particular concern to the state is availability of sufficient numbers and types of physicians serving medical assistance clients. Quality issues arise with the lower frequency of procedures conducted in rural areas. Furthermore, a market model cannot work to improve efficiency in those areas where a single provider has natural monopoly power.
- B. Currently, only anecdotal information is available about consumers access to services and coverage. This survey would provide a regular, representative assessment of residents' access problems.
- C. Foundation funding is no longer available to continue the University's development of Minnesota expenditure estimates. Since the primary value of these estimates is for development of market-enhancing and consumer protection health policies in the state, we believe it is appropriate that state funds be made available to continue this work.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures:	\$ 200	\$ 140	\$ 340

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. Moreover, since the costs associated with this request are directly related to the operation of the state's health care system, it is appropriate that the health care system bear these costs. Accordingly, the Governor recommends that a fee be charged to recover the costs of this request. The receipts from this fee should be treated as non-dedicated General Fund revenues.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: HEALTH SYSTEMS DEVELOPMENT
 PROGRAM: HEALTH DELIVERY SYSTEMS
 AGENCY: HEALTH, DEPARTMENT OF

REQUEST TITLE: HEALTH PLAN COMPETITION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 72	1.3	\$ 102	1.8
Governor's Recommendation				
General Fund	\$ 72	1.3	\$ 102	1.8

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 144.695-703

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests funds to undertake new activities to stimulate competition for health plans. The request is composed of 3 parts. Part A funds biennial employer surveys about health plan premiums. Part B supports development of a voluntary "health plan premium data exchange" for employers and other group purchasers. Part C funds annual consumer surveys of satisfaction with health plan coverage.

DESCRIPTION/BACKGROUND:

- Health care costs are escalating so rapidly and persistently that providing health benefits to employees has become a serious burden on employers. This country relies on employers as a primary source of health plan coverage. If health benefits become too expensive for employers to afford, the result could be widespread lack of coverage, and lack of access to health services. Therefore, it is important for state health policy makers to be aware of premium trends and the financial burden borne by employers and employees for health plan coverage.
- The "Data Exchange" will serve as an information clearing house for health plan premium data. Group purchasers who participate will report their premiums and plan characteristics, and will receive data on other purchasers in situations similar to their own.
- Consumer satisfaction with health plan company services is an important "quality" attribute of health plans, yet only anecdotal information is available to purchasers. Dissemination of the results of consumer satisfaction surveys will help both individuals and group purchasers evaluate health plan choices.

RATIONALE:

- A comparison over time of Minnesota's and other states' health plan premium increases will help policy makers assess whether state policy should continue to rely on competitive market forces or follow a more directive

and controlling path. In fact, the performance of Minnesota's health care delivery system is of interest nationwide, since the state is viewed by many as the most advanced and vigorous testing ground for competitive forces in the country.

- Many small to medium-sized employers have limited resources for arranging health benefits for their employees. Market research conducted by the agency indicates that many Minnesota employers, labor unions, and other group purchasers would like better access to premium rates charged by health plans in their area, and would be interested in participating in a fee-supported voluntary data exchange. The agency believes that these group purchasers will be well served, and health plan competition stimulated, if premium information is easily accessible.
- Public dissemination of consumer satisfaction information will better enable purchasers to compare competing health plans on a dimension other than price. Such information may also provide a quality safeguard, as health plan companies pay more attention to customer satisfaction. Public sponsorship of consumer surveys is likely to be viewed as more reliable than similar surveys conducted by health plan companies.

The data exchange initiative requires a start-up appropriation of \$50,000 in F.Y. 1990 and \$52,000 in F.Y. 1991. Employers will be charged for accessing the data at a rate that will collect 20% of the start-up fee each year, beginning in year 3. This CHANGE request will be self-supporting after year 7. If the program does not become self-supporting, it will be cancelled.

BASE: None.

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 60	\$ 90	\$ 150

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. Moreover, since the costs associated with this request are directly related to the operation of the state's health care system, it is appropriate that the health care system bear these costs. Accordingly, the Governor recommends that fees be charged to recover the costs of this request. The receipts from this fee should be treated as non-dedicated General Fund revenues.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: HEALTH SYSTEMS DEVELOPMENT
 PROGRAM: HEALTH DELIVERY SYSTEMS
 AGENCY: HEALTH, DEPARTMENT OF

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. However, these costs may be absorbed under the Governor's recommendation for the Registration Systems Revolving Fund.

REQUEST TITLE: ACUPUNCTURE REGULATION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 17	-0-	\$ -0-	-0-

Governor's Recommendation

General Fund	\$ -0-	-0-	\$ -0-	-0-
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Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 145

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests these funds to establish a regulatory filing and permit system for acupuncture practitioners in Minnesota. This will be a one-time expenditure to implement the system.

DESCRIPTION/BACKGROUND:

The commissioner has recommended that acupuncturists be regulated by the department. The commissioner's recommendation for a minimal regulatory system is the result of department staff and Human Services Occupations Advisory Council reviews conducted under M.S. Sec. 214.001. The proposed regulation would require filing of credentials, granting permits to practice upon completion of a course in clean needle technique and inspecting premises and equipment.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Applications for Permits	0	0	0	50

RATIONALE:

The purpose of the regulation is to protect the public from the potential spread of disease through use of contaminated needles.

BASE: None.

LONG RANGE IMPLICATIONS: None.

ACTIVITY: HEALTH RESOURCES
Program: HEALTH DELIVERY SYSTEMS
Agency: HEALTH, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

To protect and promote the well-being of persons receiving care from regulated pre-hospital, hospital, outpatient, and long term care facilities and services. The Health Resources activity consists of 5 management level activities:

Survey and Compliance (S&C): This activity provides assurance of an appropriate quality of care to recipients of health care services. The activity includes:

1. onsite inspections;
2. issuance of correction orders and/or federal deficiencies;
3. follow-up visits;
4. issuance of penalty assessments or initiation of other legal proceedings if compliance is not obtained;
5. participation in contested case hearings;
6. inspections and clearances for initial licensure and/or certification, or upon change of ownership;
7. complaint investigations of suspected violation of federal regulation, or alleged unlicensed or improperly licensed care providers, or upon referral from the Office of Health Facilities Complaints or the commissioner of Health;
8. review and processing of all required documentation for licensure and certification;
9. development or amendment of rules for licensure; and
10. collection, compilation, analysis, publication, and dissemination of information regarding the type, extent, and utilization of health care services in the state.

The direct clients are the over 1,400 licensed or certified facilities or providers. The indirect clients served are the consumers of these services located throughout Minnesota.

Quality Assurance and Review (QA&R): This activity fulfills the federal requirement for the state to conduct an annual inspection of the care (IOC) of all recipients (34,000) of care under Title XIX (Medicaid), in order to assure that the quality and quantity of services provided are appropriate to their medical, physical, and psycho social needs. In addition to the IOC review, all private pay residents (17,500) in Medicaid certified nursing homes are also reviewed in order to establish reimbursement classifications under the case mix reimbursement system for Medicaid. Reimbursement classifications are computed for all reviews completed by the facilities (78,000) and by the Pre-Admission Screening Programs (16,000) of the county social service agencies.

Technical Consultation and Training (TC&T): This activity has been changed in the past 2 years to meet policy changes made by the Health Care Finance Administration (HCFA) of the U. S. Department of Health and Human Services. The 5 activities now undertaken by TC&T are:

1. Respond to all requests for special surveyor participation in Federal certification surveys;
2. continuance of inservice and orientation activities for Survey and Compliance staff;

3. continuance of activities related to laboratory improvement in hospital and independent laboratories;
4. continuance of activities related to utilization review in federally certified facilities; and
5. provision of technical advice and information through provider and consumer education, the publication of the IC&T Advisor newsletter, and telephone, mail, and personal contacts. The number of educational programs have been reduced and no consultation site visits have been made for 2 years.

Engineering Services (ES): This activity exists to secure a comfortable, sanitary, and safe environment for patients and residents by enforcing physical plant rules for state licensure and Life Safety Code (LSC) standards for federal certification. The ES section reviews plans for health care facility construction and alterations, conducts inspections of completed projects, and provides information on physical plant rules and standards. It also completes initial LSC surveys for construction projects and processes LSC survey documentation for federally certified facilities. The section also monitors the department's contract with the State Fire Marshall's office for the periodic inspection and enforcement of the LSC standards.

Emergency Medical Services (EMS): This activity exists to reduce mortality and minimize disability of victims of unforeseen critical illness or injury by improving the quality and availability of emergency medical care throughout the state. Responsibilities include the regulation of approximately 300 life support transportation services in Minnesota, the administration of the state EMS Systems Act, the designation of a state poison information center under a competitive grant program, the training of emergency medical service personnel, and the reimbursement of volunteer emergency medical technicians. Other key activities include administration of federal funds received under Section 402c of the Highway Safety Act of 1966 (Public Law 89- 564) as amended, which focuses on the pre-hospital delivery of emergency care; and under the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35), the Preventive Health and Health Services Block Grant, which focuses on the development of comprehensive regional emergency care systems including the hospital and inter-hospital delivery of emergency care.

PERFORMANCE INDICATORS:

	F.Y. 1989	F.Y. 1989	F.Y. 1990	F.Y. 1991
Survey and Compliance				
Complete Surveys	1,907	1,946	2,110	2,510
Follow-up Visits	1,645	1,640	1,700	1,900
Correction Orders Issued	6,183	6,318	5,000	8,600
Per Survey	10.5	10.7	8.0	9.5
Certification Deficiencies	4,850	4,850	5,200	5,500
Per Survey	3.4	3.6	3.5	3.4
Penalty Assessments Issued	81	46	60	70
Quality Assurance & Review				
Medicaid Onsite Reviews	33,748	35,000	35,000	35,000
Private Pay Reviews	17,742	17,500	17,500	17,500
Case Mix Classifications				
Assigned	146,770	150,000	150,000	150,000
Desk Reviews	94,715	98,000	100,000	103,000
Onsite Audits	15,299	15,000	12,500	15,000
Reconsiderations	2,318	2,905	3,000	3,500

ACTIVITY: HEALTH RESOURCES
(Continuation)
Program: HEALTH DELIVERY SYSTEMS
Agency: HEALTH, DEPARTMENT OF

1990-91 Biennial Budget

PERFORMANCE INDICATORS:(Cont'd.) F.Y. 1989 F.Y. 1989 F.Y. 1990 F.Y. 1991

Technical Consultation & Training

Requests for Spec. Surveyor Assist.	452	925	975	1,050
Evacuation Capability Surveys	207	200	200	200
Consultations	2,128	2,500	2,500	2,500
Education Programs	34	45	45	45
Trainees	1,000	1,150	1,200	1,200
Newsletter Distribution per issue	2,000	8,000	8,000	8,000

Engineering Services

Construction Projects	124	130	130	130
Plans Received	170	170	170	170
Construction Inspections	120	120	120	120
LSC Surveys	35	35	35	35
LSC Short Form Survey Reviews	100	100	100	100
LSC Monitoring Reviews	625	625	625	625

Emergency Medical Services

License Inspections	166	159	141	159
Training Programs	81	92	84	86
Certified Pre-Hospital Personnel	8,125	8,200	8,215	8,316
Volunteers Completing Reimbursable Training	1,469	1,240	1,240	1,240

REVENUE:

This activity generates non-dedicated revenue.

Type of Revenue	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Non-dedicated	\$ 1,134	\$ 2,080	\$ 2,080	\$ 2,080

GRANTS AND AID:

Four grant programs are administered by the Emergency Medical Services Section:

Minnesota Emergency Medical Service Systems Support Act (M.S. 144.8093). The purpose of this state funded grant program is to develop, maintain, and improve regional systems of emergency care in each of 8 designated regions. A portion of this fund is also awarded on a competitive basis for special projects with a potential statewide significance.

Grants by Fund:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 628	\$ 650	\$ 650	\$ 650

Volunteer EMT Training Reimbursement (M.S. 144.8091). The purpose of this state funded grant program is to reimburse non-profit ambulance services for the expenses associated with the initial and refresher training of volunteer emergency medical technicians.

Grants by Fund:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 148	\$ 148	\$ 148	\$ 148

Preventive Health Services Block Grant (Omnibus Budget Reconciliation Act of 1981, P.L. 97-35). The purpose of this use of this federal grant program is twofold:

1. to develop, maintain, and improve regional systems of emergency care in each of Minnesota's 8 EMS regions; and
2. to support a state poison control program including support for poison prevention/education, and for the operation of a telephone poison information service.

Grants by Fund:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 400	\$ 325	\$ 325	\$ 325

Minnesota Emergency Medical Services Relief Account

The purpose of this grant program is to provide funds to the 8 regional emergency medical services systems designated by the commissioner for personnel education and training, equipment and vehicle purchases and operational expenses of emergency life support transportation services. The source of funds for this grant program will be fines collected by law enforcement personnel for non-use of seat belts.

Grants by Fund:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ -0-	\$ 750	\$ 750	\$ 750

RECENT BUDGET HISTORY:

Recent passage of the Omnibus Budget Reconciliation Act of 1987 will have substantial impact on the operations of this division. Provisions of this act known as the Nursing Home Reform Act will greatly affect the state's regulation of long term care. Additional responsibilities will require the addition of staff. Funds will be requested from the Health Care Financing Agency (HCFA) to cover the federal share of these additional tasks. Necessary state matching funds for Medicaid activities will be requested by the Department of Human Services.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HEALTH,DEPT OF
PROGRAM : HEALTH DELIVERY SYST
BUDGET ACTIVITY : HEALTH RESOURCES

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	6,307	6,929	7,023	29	7,052	7,052	7,023	29	7,052	7,052
EXPENSES/CONTRACTUAL SRVCS	2,099	2,204	2,204	86	2,290	2,290	2,204	86	2,290	2,290
MISC OPERATING EXPENSES	502	569	569	0	569	569	569	0	569	569
SUPPLIES/MATERIALS/PARTS	299	59	59	0	59	59	59	0	59	59
CAPITAL EQUIPMENT	110	171	171	10	181	181	171	10	181	181
REDISTRIBUTIONS	84	0	0	0	0	0	0	0	0	0
STATE OPERATIONS	9,401	9,932	10,026	125	10,151	10,151	10,026	125	10,151	10,151
AIDS TO INDIVIDUALS	0	220	220	0	220	220	220	0	220	220
LOCAL ASSISTANCE	1,481	2,259	1,859	400	2,259	2,259	1,859	400	2,259	2,259
TOTAL EXPENDITURES	10,882	12,411	12,105	525	12,630	12,630	12,105	525	12,630	12,630
CHANGE REQUESTS:										
B EMS TESTING COSTS					125	125		125		125
B POISON INFORMATION SERVICES					400	400		400		400
B TRANSFER EMS TO TRUNK HIGHWAY FUND					0	<650>		0		<650>
B TRANSFER EMS TO TRUNK HIGHWAY FUND					0	650		0		650
TOTAL CHANGE REQUESTS					525	525		525		525
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,839	2,428	2,122	400	2,522	1,872	2,122	400	2,522	1,872
TRUNK HIGHWAY	541	566	566	125	691	1,341	566	125	691	1,341
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	6,043	7,111	7,111	0	7,111	7,111	7,111	0	7,111	7,111
FEDERAL	2,459	2,306	2,306	0	2,306	2,306	2,306	0	2,306	2,306
TOTAL FINANCING	10,882	12,411	12,105	525	12,630	12,630	12,105	525	12,630	12,630

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HEALTH,DEPT OF
PROGRAM : HEALTH DELIVERY SYST
BUDGET ACTIVITY : HEALTH RESOURCES

SOURCES OF FINANCING:	F.Y. 1990					F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
POSITIONS BY FUND:										
GENERAL	28.3	30.8	30.8	0.0	30.8	30.8	30.8	0.0	30.8	30.8
SPECIAL REVENUE	153.8	153.8	174.8	0.0	174.8	174.8	174.8	0.0	174.8	174.8
TRUNK HIGHWAY	11.0	11.0	11.0	1.0	12.0	12.0	11.0	1.0	12.0	12.0
FEDERAL	1.0	1.0	1.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0
TOTAL POSITIONS	194.1	196.6	217.6	1.0	218.6	218.6	217.6	1.0	218.6	218.6

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: EMERGENCY MEDICAL SERVICES (EMS)
 PROGRAM: HEALTH DELIVERY SYSTEMS
 AGENCY: HEALTH, DEPARTMENT OF

REQUEST TITLE: EMS TESTING COSTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Trunk Highway	\$ 125	1.0	\$ 125	1.0

Governor's Recommendation

Trunk Highway	\$ 125	1.0	\$ 125	1.0
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Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests funds to support the ongoing testing of emergency medical technicians which has been funded by U.S. Department of Transportation dollars (402 program). Federal officials have notified the Department of Public Safety (DPS), which administers the 402 grants, that ongoing expenses such as testing cannot be supported by these funds. The 402 funds are to be used for start-up activities or demonstration projects. Funding to support ongoing established activities must be found elsewhere.

We have been advised by DPS officials that federal funding for emergency medical technician testing will end on 9-30-89 and possibly as early as 6-30-89. Consequently, we will need additional state funding to support this important ongoing activity during the next biennial budget period.

DESCRIPTION/BACKGROUND:

The EMS program is responsible for the testing of emergency medical technicians (EMT's) who serve on Minnesota licensed ambulance services. Included are basic, intermediate and advanced level (paramedics) emergency medical technicians. Examinations administered by the section include both written and practicals. All levels are given the initial examinations with the basic and intermediate also re-tested on a biennial basis. Successful examinees provide the applicant and volunteer pool for the 300 plus licensed ambulance services which serve Minnesota residents.

Examinations are conducted throughout the state for all levels of emergency medical services technicians. Advanced level exams (intermediate and paramedic) are conducted less frequently than those for the basic EMTs and are generally given in centralized locations throughout the state. Candidates must demonstrate skills at several stations. Expectations and requirements increase with the level of EMT being tested.

Examiners currently receive \$45 per basic EMT exam session, \$60 per paramedic exam session and physicians involved in the advanced level testing receive

\$100. The number of examiners required to conduct the examinations varies depending upon the number of candidates as well as the level being tested. Eight to 10 examiners are generally needed for the basic level and 18 or more are generally required for the advanced level examinations.

Approximately, 4,000 basic level EMTs are initially tested or are retested on an annual basis. Approximately, 75 intermediate level and 400 paramedic level EMTs are initially tested or retested on an annual basis.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
EMT-Basic	4,000	4,000	4,200	4,200
EMT-Intermediate	75	75	100	100
EMT-Paramedic	400	400	420	420

RATIONALE:

Testing provides the public with assurance that the emergency medical services technicians serving them have mastered the pre-hospital emergency medical care skills consistent with their level of certification. Examinations provide the mechanism for demonstrations of skill capabilities. The department is able to assure the public through the examination process that required skills have been mastered. Additionally, citizens are assured that the pre-hospital system is staffed with personnel who can provide good emergency medical care at the scene and enroute to the appropriate medical facility.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Trunk Highway Expenditures	\$ -0-	\$ -0-	125	125
Federal Fund Expenditures	121	118	-0-	-0-

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
Trunk Highway Expenditures	\$ 125	\$ 135	\$ 260

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: EMERGENCY MEDICAL SERVICES
 PROGRAM: HEALTH DELIVERY SYSTEMS
 AGENCY: HEALTH, DEPARTMENT OF

REQUEST TITLE: POISON INFORMATION SERVICES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 400	-0-	\$ 400	-0-
Governor's Recommendation				
General Fund	\$ 400	-0-	\$ 400	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests funds to provide support for one or more regional poison information centers. Funds will be distributed only to the center or centers designated by the commissioner under the authority of M.S. 145.93.

DESCRIPTION/BACKGROUND:

The department has been directed by the legislature to biennially solicit applications for poison information center designation. The designated center or centers are to be selected by the commissioner from among nonprofit corporations or governmental units who apply that best fulfill the selection criteria identified in M.S. 145.93, subd. 4.

Two poison centers have been designated for the current biennium. The Minnesota Regional Poison Center (St. Paul Ramsey Medical Center) provides services statewide and will receive \$230,000 during the current biennium in federal funds. The Hennepin Regional Poison Center (Hennepin County Medical Center) provides services for Hennepin County and adjacent west metropolitan areas. Hennepin will receive \$70,000 during the current biennium in federal funds.

Designated poison information centers have received no state funds prior to F.Y. 1989. Applicants are advised in the published request for proposals as to the amount of government funds available. Additionally, potential applicants are asked to look carefully at the cost of operating a poison information center and whether or not cash or "in-kind" contributions will be needed and available from the host facility.

For the current biennium, St. Paul Ramsey Medical Center stated in its proposal that it would annually provide \$428,206 in cash contributions and \$50,000 "in-kind" contribution to support the Minnesota Poison Information Center. Total contributions from the state and the medical center would total \$593,206.

For the current biennium, Hennepin County Medical Center stated in its proposal that it would annually provide \$490,567 in cash contributions and \$25,000 "in-kind" contributions to support the Hennepin Regional Poison Information Center. Total contributions from the state and the medical center would total \$550,567.

Within a few months of the completion of the designation process for the current biennium and after the execution of the contract, the St. Paul Ramsey Medical Center advised the department that it would no longer be able to provide continued funding for the Poison Center after 6-30-89. In addition, funding had been cut by \$70,000 and wages and salaries had been frozen.

The receipt of this information required no action on the part of the department since the date cited represented the end of the current biennium. Essentially, the information could be considered as an indication that St. Paul Ramsey did not plan to seek poison information center designation for the next biennium.

In February, 1988, however, the commissioner was advised by the poison information center operations committee (representatives from both designated poison centers) that the funding situation had become more acute. St. Paul Ramsey Medical Center reported that \$350,000 in state support would be needed by 7-1-88 or severe cutbacks in service would be required. In addition, Hennepin County Medical Center reported that it would need \$250,000 as of 1-1-89 or face possible service cutbacks like those predicted for Ramsey.

The 1988 Legislature authorized a one time appropriation of \$400,000 from the general fund to be distributed by the commissioner to the designated poison information centers for F.Y. 1989 (7-1-88--6-30-89). This appropriation will help the 2 regional poison centers continue to provide minimum levels of poison information services.

For F.Y. 1989, St. Paul Ramsey Medical Center will receive \$350,000 in state support (\$235,000 in state funds and \$115,000 in Federal funds). Hennepin County Medical Center will receive \$200,000 in state support during the same period (\$165,000 in state funds and \$35,000 in Federal funds).

Alternative funding sources have been considered such as a 9-1-1 system access charge, physician assessments, assessments against manufacturers of poisons, etc. NOTE: the authorizing statute prohibits the use of direct cost user fees for the provision of poison information services. For various reasons including practicality and equity, none of these possible funding sources have become available at this time.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Human exposure calls	55,000	56,000	57,500	59,000
Animal exposure calls	2,800	3,000	3,150	3,300
Information calls	6,200	7,000	6,350	6,700
Total calls	64,000	66,000	67,000	69,000

RATIONALE:

The legislature has directed the commissioner to solicit applications for poison information center designation and to award grants from money appropriated or otherwise available. Additionally, the legislature has found

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget
 (Continuation)

ACTIVITY: EMERGENCY MEDICAL SERVICES
 PROGRAM: HEALTH DELIVERY SYSTEMS
 AGENCY: HEALTH, DEPARTMENT OF

that the citizens need prompt access to poison information through the establishment of an integrated poison control system. The integrated poison control system is to consist of 1 or more regional poison information centers designated by the commissioner.

The 2 currently designated poison information centers have advised the department that additional funding will be needed in the future to continue services at the BASE level. The host facilities have stated that they will not be able to continue to provide the level of cash and "in-kind" contributions as in the past.

While the commissioner is not obligated to re-designate the same facilities currently designated for the next biennium, the lack of state funds may reduce or eliminate the number of respondents to the RFP. The 2 currently designated poison information centers have reported to the commissioner that they will not be able to continue to provide services at the current level of state support (Federal Preventive Block Grant funds).

In view of this information, it is possible that no entity will apply for designation for the next biennium. If that is the case, the department will be unable to meet the legislative directive to continue the establishment of an integrated poison control system.

The department believes that an annual appropriation of \$400,000 from the General Fund in addition to other funds which may be available should be sufficient to attract 1 or more qualified applicants during the next RFP period.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Federal Fund Expenditure	\$ 150	\$ 150	\$ 150	\$ 150

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
Federal Fund Expenditure	\$ 150	\$ 150	\$ 300
General Fund Expenditure	\$ 400	\$ 400	\$ 800

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: HEALTH RESOURCES
 PROGRAM: HEALTH DELIVERY SYSTEMS
 AGENCY: HEALTH, DEPARTMENT OF

REQUEST TITLE: TRANSFER EMS FUNDING TO TRUNK HIGHWAY FUND

	<u>F.Y. 1990</u>		<u>F.Y. 1991</u>	
	<u>(000's)</u> <u>Amount</u>	<u>Positions</u>	<u>(000's)</u> <u>Amount</u>	<u>Positions</u>
Governor's Recommendation				
General Fund	\$ (650)	-0-	\$ (650)	-0-
Trunk Highway Fund	650	-0-	650	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends a transfer of \$650,000 for Emergency Medical Services (EMS) regional system support to the Trunk Highway Fund.

DESCRIPTION/BACKGROUND:

Emergency medical Systems costs are supported from a variety of state, federal and local funding sources. The state general fund contributes to these costs through local property tax relief, the Community Health Services Act and direct appropriations.

RATIONALE:

The Trunk Highway Fund also contributes some state funding as a result of the costs imposed by the state highway system on the EMS system and it is appropriate that this share be increased.

ACTIVITY: COMMUNITY HEALTH SERVICES
 Program: HEALTH DELIVERY SYSTEMS
 Agency: HEALTH, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

To support and improve public health efforts by local health agencies. The activity is comprised of 3 operating sections and is responsible for administering the Community Health Services (CHS) subsidy, Indian Health, and the Migrant Health Grants.

- Public Health Nursing: Public Health Nursing activities plan, coordinate and provide administrative and program support to local units of government regarding the use of community health resources. This activity involves consultation with community health boards organized under the Local Public Health Act. Consultation is provided for community health programs, especially in the areas of maternal and child health, community care of AIDS patients, health promotion and home health care.
- District Representatives: District Representative activities consist of the district administration and monitoring of subsidy grants for legal and administrative standards, general representation of the department at the local level, coordinating local needs for specialized technical and other support, assisting local units of government in meeting required fiscal and programmatic reporting standards, and managing seven district offices in which department technical staff are located. District Representatives act as the 1st line of general communications between the Department of Health and community health boards, and assure that concerns or comments of individual counties or CHS agencies are understood by department program and executive staff.
- Community Development: Provides support to the commissioner and to division directors to develop and maintain a coordinated system of community health services statewide. These services are managed by local units of government within a system of state guidelines and standards. The primary functions of this activity are management support to and policy development for community health services activities at the state and local levels. This activity consists of providing support for staffing the state CHS Advisory Committee, developing program guidelines, managing the uniform activity reporting system, preparing a biennial report to the Legislature, and assuring adequate communication with, and interaction between, local and state programmatic and administrative staff.

ACCOMPLISHMENTS:

- Completed a comprehensive revision of all sections of statutes governing local public health authorities and responsibilities. Provided technical assistance to those boards that requested help in implementing the law, such as assisting in the review of joint powers agreements.
- Completed a review of all administrative procedures related to the CHS subsidy program and provided a series of training sessions throughout the state to assist local health staff in improving community health status assessments, program planning, reporting and evaluation.
- Prepared a set of high-priority public health goals for community health services which have been incorporated into the local CHS Plan and will form the basis for future evaluation.
- A new system for evaluating the administrative and program support (technical assistance) needs of local CHS agencies through review of their plans was conducted this biennium and resulted in a specific

calendar listing of approximately 60 department offerings.

GRANTS AND AIDS:

This activity administers the CHS subsidy, the Indian Health Grants, and the Migrant Health Grants.

- Community Health Services Subsidy: (M.S. 145A. Sec. 9, Subd. 2) The Subsidy provides funds "to develop and maintain a system of community health services under local administration within a system of state guidelines and standards." Community health boards provide a dollar-for-dollar local match. The statutory program objectives of the subsidy are to: prevent or control communicable disease; protect the health of persons suffering a medical emergency; achieve an environment conducive to human health, comfort, safety, and well-being; promote optimum health outcomes related to human reproduction and child growth and development; and reduce risk conditions or behaviors to prevent chronic disease and achieve other advances in health status.

<u>Grants by Fund</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General Fund	\$ 11,828	\$ 11,828	\$ 11,828	\$ 11,828

- The Migrant Health Special Project Grant: (M.S. 145A. Sec. 14, Subd. 1) Provides primary health services to families of migrant agricultural workers. Since 1981, the Migrant Health Service, Inc. (MHSI), headquartered in Moorhead, has been the sole recipient of this particular grant in Minnesota. MHSI maintains an extensive network of health service providers in local communities who provide migrant health services on a contract basis.

<u>Grants by Fund</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General	\$ 104	\$ 104	\$ 104	\$ 104

- The Indian Health Grants: (M.S. 145A. Sec. 14, Subd. 2) Provide varying levels of community outreach, primary care and referrals for Indians in Hennepin, Ramsey, and St. Louis Counties who reside off reservations. Approximately 43% of the state's Indian population is served by these funds.

In Hennepin County, 3 comprehensive primary care facilities, the Indian Health Board of Minneapolis, the Community University Health Care Center and the Hennepin County Family Medical Center, received funding for community health services (CHS) to Indians during C.Y. 1988. Also, during C.Y. 1988, the St. Paul Urban Indian Health Board Clinic, St. Louis County, and the American Indian Fellowship Association of Duluth received funds.

<u>Grants by Fund:</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General	\$ 176	\$ 176	\$ 176	\$ 176

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HEALTH,DEPT OF
PROGRAM : HEALTH DELIVERY SYST
BUDGET ACTIVITY : COMMUNITY HEALTH SERVICES

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	1,484	1,536	1,561	0	1,561	1,561	1,561	0	1,561	1,561
EXPENSES/CONTRACTUAL SRVCS	33	32	32	0	32	32	32	0	32	32
MISC OPERATING EXPENSES	161	189	189	0	189	189	189	0	189	189
SUPPLIES/MATERIALS/PARTS	25	9	9	0	9	9	9	0	9	9
CAPITAL EQUIPMENT	54	4	4	0	4	4	4	0	4	4
REDISTRIBUTIONS	0	0	0	0	0	0	0	0	0	0
STATE OPERATIONS	1,757	1,770	1,795	0	1,795	1,795	1,795	0	1,795	1,795
LOCAL ASSISTANCE	12,108	12,109	12,109	1,525	13,634	13,634	12,109	4,040	16,149	16,149
TOTAL EXPENDITURES	13,865	13,879	13,904	1,525	15,429	15,429	13,904	4,040	17,944	17,944
CHANGE REQUESTS: FUND										
A TRANSFER PUBLIC HEALTH FUND TO GENERAL	GEN			0		363		0		363
A TRANSFER PUBLIC HEALTH FUND TO GENERAL	PHLT			0		<363>		0		<363>
B COMMUNITY HEALTH SERVICES SUBSIDY	GEN			1,525		1,525		4,040		4,040
TOTAL CHANGE REQUESTS				1,525		1,525		4,040		4,040
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	13,051	13,136	13,154	1,525	14,679	15,042	13,154	4,040	17,194	17,557
PUBLIC HEALTH	358	356	363	0	363	0	363	0	363	0
TRUNK HIGHWAY	8	0	0	0	0	0	0	0	0	0
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	126	82	82	0	82	82	82	0	82	82
FEDERAL	321	305	305	0	305	305	305	0	305	305
GIFTS AND DEPOSITS	1	0	0	0	0	0	0	0	0	0
TOTAL FINANCING	13,865	13,879	13,904	1,525	15,429	15,429	13,904	4,040	17,944	17,944

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HEALTH,DEPT OF
PROGRAM : HEALTH DELIVERY SYST
BUDGET ACTIVITY : COMMUNITY HEALTH SERVICES

SOURCES OF FINANCING:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	

POSITIONS BY FUND:										
GENERAL	23.8	22.8	22.8	0.0	22.8	31.8	22.8	0.0	22.8	31.8
PUBLIC HEALTH	9.0	9.0	9.0	0.0	9.0	0.0	9.0	0.0	9.0	0.0
SPECIAL REVENUE	3.0	3.0	3.0	0.0	3.0	3.0	3.0	0.0	3.0	3.0
FEDERAL	7.5	10.5	10.5	0.0	10.5	10.5	10.5	0.0	10.5	10.5

TOTAL POSITIONS	43.3	45.3	45.3	0.0	45.3	45.3	45.3	0.0	45.3	45.3

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: COMMUNITY HEALTH SERVICES
 PROGRAM: HEALTH DELIVERY SYSTEMS
 AGENCY: HEALTH, DEPARTMENT OF

REQUEST TITLE: COMMUNITY HEALTH SERVICES SUBSIDY

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$1,525	-0-	\$4,040	-0-
Governor's Recommendation				
General Fund	\$1,525	-0-	\$4,040	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

This CHANGE level request would permit the funding of state contributions for local public health activities organized under M.S. 145A at the level authorized in the original enabling legislation (Laws of 1976, Ch. 9, Sec. 11).

DESCRIPTION/BACKGROUND:

M.S. 145A is intended "to develop and maintain a system of community health services under local administration within a system of state guidelines and standards." All counties currently participate in this activity, despite the fact that the program has not been fully funded since 1981, when there was a reduction in the subsidy of 10.9%. Since 1981, there have been insufficient funds to provide state grants equal to the level authorized in the statute.

The department is recommending the specified CHANGE level to bring the state subsidy up to the level authorized in Laws of 1976, Ch. 9, Sec. 11. As shown in the following table, county government has continued to invest an increasing proportion of local dollars in CHS programs in the expectation that the state would supply its share at a future date.

STATISTICS:	F.Y. 1978	F.Y. 1982	F.Y. 1984	F.Y. 1986
Counties Participating	71	86	86	87
Populations Served (millions)	3.77	4.06	4.06	4.21
Local Expenditures:				
Total (millions)*	\$ 35.9	\$ 54.2	\$ 65.4	\$ 83.9
Per Capita	\$ 9.52	\$ 13.35	\$ 16.11	\$ 19.93
Per Capita (adjusted for inflation)**	\$ 8.85	\$ 8.82	\$ 9.69	\$ 11.04
State Subsidy: Total (millions)	\$ 8.0	\$ 10.9	\$ 11.2	\$ 11.7
Per Capita	\$ 2.12	\$ 2.68	\$ 2.76	\$ 2.78
Per Capita (adjusted for inflation)**	\$ 1.97	\$ 1.77	\$ 1.66	\$ 1.54

* Includes tax levies, revenue sharing, fees for services, gifts, contracts, and non-governmental contributions.

** Inflationary adjustments made using the federally published "Implicit GNP Price Deflator for State and Local Purchases."

RATIONALE:

A comparison of local and state contributions to community health services show that, while local expenditures increased in absolute and real dollars when adjusted for inflation, the state subsidy actually decreased in real purchasing value (adjusted for 1977 constant dollars). At the local level, absolute dollars and per capita expenditures have more than doubled overall between 1978 and 1986. State support increased by about 46% in the same period. When these actual dollar values are adjusted for inflation using 1977 constant dollars, per capita local spending has increased 26% and per capita state support has declined by 22%.

In order to maintain and improve on levels of local development implemented between 1977 and today, an increase to account for the decrease in purchasing power due to inflation is necessary. This increase is further justified by the contribution above the required local match that local government makes to the important state and local public health effort.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 11,828	\$ 11,828	\$ 11,828	\$ 11,828

LONG RANGE FUNDING IMPLEMENTATION:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 4,040	\$ 4,040	\$ 8,080

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

PROGRAM: HEALTH SUPPORT SERVICES
Agency: HEALTH, DEPARTMENT OF

1990-91 Biennial Budget

PROGRAM PURPOSE:

The purpose of this program is to provide policy direction and leadership for the state on public health issues and a centralized management, administrative and information system for the department.

OPERATION:

This program encompasses the following operations:

1. The Executive Office activity provides policy and management direction and leadership of the department including the development of statewide public health priorities, the development and implementation of departmental programmatic and operational policies and procedures and the overall fiscal management of the department.
2. The Financial Management, Personnel Services, Administrative Services and Indirect Support activities provide a centralized system of support services consistent with state and federal laws, policies and guidelines.
3. The Office of Health Facility Complaints (OHFC) is an investigative and regulatory office established in the commissioner's office to receive, analyze, investigate and act upon complaints lodged against licensed health facilities, providers and administrative agencies. The office also assists residents of facilities in the enforcement of their rights and provides information about health facilities to the public and facility residents.
4. The Minnesota Center for Health Statistics (MCHS) provides the coordinated application of computer technology to the management of department information resources and the generation of health statistics for state and national program decision making. The MCHS is responsible for designing, implementing, modifying, and operating health information systems, and coordinating acquisition of all computer equipment and software.
5. The Vital Records activity maintains a permanent file of birth and death certificates and indices of marriage and divorce in order to assist individuals in the establishment of their rights to certain public and private benefits to provide federal, state and local decision makers with basic demographic information on which to make policy decision.

EXPLANATION OF BUDGET REQUEST:

This budget request will fund activities at the current level, with the exception of a request to fund an internal audit function and a request to modernize the Minnesota Department of Health building at 717 Delaware Street Southeast in Minneapolis, which was constructed in 1968.

GOVERNOR'S RECOMMENDATION:

The Governor recommends a general fund BASE of \$7,107,000 and a biennial increase of \$80,000 for the 1990-91 biennial budget.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HEALTH,DEPT OF
PROGRAM : SUPPORT SERVICES

ACTIVITY EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
GENERAL SUPPORT	4,549	5,029	5,068	1,130	6,198	5,108	5,077	860	5,937	5,117
A TRANSFER PUBLIC HEALTH FUND TO GENERAL GEN				0		201		0		201
A TRANSFER PUBLIC HEALTH FUND TO GENERAL PHLT				0		<201>		0		<201>
B REPAIRS AND BETTERMENT-GENERAL GEN				1,050		0		780		0
B INTERNAL AUDITING GEN				80		40		80		40
HEALTH INFORMATION	1,832	1,849	1,875	0	1,875	1,875	1,875	0	1,875	1,875
TOTAL EXPENDITURES	6,381	6,878	6,943	1,130	8,073	6,983	6,952	860	7,812	6,992
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	3,229	3,484	3,549	1,130	4,679	3,790	3,558	860	4,418	3,799
PUBLIC HEALTH	175	201	201	0	201	0	201	0	201	0
TRUNK HIGHWAY	74	86	86	0	86	86	86	0	86	86
METRO LANDFILL CONTN	19	22	22	0	22	22	22	0	22	22
STATUTORY APPROPRIATIONS:										
GENERAL	57	0	0	0	0	0	0	0	0	0
PUBLIC HEALTH	11	0	0	0	0	0	0	0	0	0
SPECIAL REVENUE	2,310	2,585	2,585	0	2,585	2,585	2,585	0	2,585	2,585
FEDERAL	506	500	500	0	500	500	500	0	500	500
TOTAL FINANCING	6,381	6,878	6,943	1,130	8,073	6,983	6,952	860	7,812	6,992
POSITIONS BY FUND:										
GENERAL	61.0	63.0	63.0	2.0	65.0	64.0	63.0	2.0	65.0	64.0
SPECIAL REVENUE	51.0	66.3	66.3	0.0	66.3	66.3	66.3	0.0	66.3	66.3
FEDERAL	14.5	2.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0
TOTAL POSITIONS	126.5	131.3	131.3	2.0	133.3	132.3	131.3	2.0	133.3	132.3

ACTIVITY: GENERAL SUPPORT
 Program: HEALTH SUPPORT SERVICES
 Agency: HEALTH, DEPARTMENT OF

1990-91 Biennial Budget

REVENUE:

This activity generates non-dedicated revenue.

PURPOSE:

This activity includes the following components:

1. The Executive Office provides policy and management direction and leadership for the department, including the development of statewide public health priorities, the development and implementation of departmental programmatic and operational policies and procedures and the overall fiscal management of the department.
2. The Disability Determination Activity reviews and provides initial and annual determinations of disability for the Teachers Retirement Association, the Public Employees Retirement Association and the State Retirement System.
3. The Office of Health Facility Complaints (OHFC) is an investigative and regulatory office established in the commissioner's office to receive, analyze, investigate and act upon complaints lodged against licensed health facilities, providers and administrative agencies.
4. The Financial Management Activity provides a centralized budgeting, accounting, and financial reporting system for all department activities and federal grant programs.
5. The Personnel Services Activity provides a centralized personnel system which involves recruitment, managing seven collective bargaining agreements, employee counseling, affirmative action, performance appraisal, classifications, compensation, and job analysis.
6. The Administrative Services and Indirect Support Activity provide centralized duplicating, purchasing, stores, auto pool, mailing, records management, forms control, building and grounds care, telecommunications and space planning for the Department and the ten health-related licensing boards. The indirect support activity includes costs, such as rent of the building, that cannot be efficiently allocated to particular activities.
7. The Mortuary Science Activity licenses, investigates complaints lodged against and provides technical assistance to individuals and facilities in the field of Mortuary Science.

(Dollars in Thousands)

<u>Type of Revenue:</u>	<u>Actual</u>	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Non-Dedicated	\$ 150	\$ 153	\$ 153	\$ 153

PERFORMANCE INDICATORS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Accounting Transactions	63,000	63,000	70,000	70,000
Mail Processed	850,000	850,000	850,000	850,000
OHFC Complaints Investigation	791	850	900	950
OHFC Correction Orders	558	575	600	625
OHFC Avg. Time for Resolution (days)	12	10	10	10
Mortuary Science:				
Examinations	47	40	40	40
License Renewals	1,481	1,468	1,468	1,468
Complaints	122	120	120	120
Establishment - Permits	512	515	515	515
- Inspections	300	300	300	300

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HEALTH,DEPT OF
PROGRAM : SUPPORT SERVICES
BUDGET ACTIVITY : GENERAL SUPPORT

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	1,974	2,526	2,540	80	2,620	2,580	2,540	80	2,620	2,580
EXPENSES/CONTRACTUAL SRVCS	1,379	1,556	1,581	200	1,781	1,581	1,590	120	1,710	1,590
MISC OPERATING EXPENSES	222	195	195	0	195	195	195	660	855	195
SUPPLIES/MATERIALS/PARTS	332	175	175	0	175	175	175	0	175	175
CAPITAL EQUIPMENT	137	4	4	850	854	4	4	0	4	4
REDISTRIBUTIONS	458	511	511	0	511	511	511	0	511	511
STATE OPERATIONS	4,502	4,967	5,006	1,130	6,136	5,046	5,015	860	5,875	5,055
LOCAL ASSISTANCE	47	62	62	0	62	62	62	0	62	62
TOTAL EXPENDITURES	4,549	5,029	5,068	1,130	6,198	5,108	5,077	860	5,937	5,117
CHANGE REQUESTS: FUND										
A TRANSFER PUBLIC HEALTH FUND TO GENERAL					0	201		0		201
A TRANSFER PUBLIC HEALTH FUND TO GENERAL					0	<201>		0		<201>
B REPAIRS AND BETTERMENT-GENERAL					1,050	0		780		0
B INTERNAL AUDITING					80	40		80		40
TOTAL CHANGE REQUESTS					1,130	40		860		40
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	2,097	2,252	2,291	1,130	3,421	2,532	2,300	860	3,160	2,541
PUBLIC HEALTH	175	201	201	0	201	0	201	0	201	0
TRUNK HIGHWAY	74	86	86	0	86	86	86	0	86	86
METRO LANDFILL CONTN	19	22	22	0	22	22	22	0	22	22
STATUTORY APPROPRIATIONS:										
PUBLIC HEALTH	11	0	0	0	0	0	0	0	0	0
SPECIAL REVENUE	2,126	2,401	2,401	0	2,401	2,401	2,401	0	2,401	2,401
FEDERAL	47	67	67	0	67	67	67	0	67	67
TOTAL FINANCING	4,549	5,029	5,068	1,130	6,198	5,108	5,077	860	5,937	5,117

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HEALTH,DEPT OF
PROGRAM : SUPPORT SERVICES
BUDGET ACTIVITY : GENERAL SUPPORT

SOURCES OF FINANCING:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	

GENERAL	26.5	28.5	28.5	2.0	30.5	29.5	28.5	2.0	30.5	29.5
SPECIAL REVENUE	46.0	46.0	46.0	0.0	46.0	46.0	46.0	0.0	46.0	46.0

TOTAL POSITIONS	72.5	74.5	74.5	2.0	76.5	75.5	74.5	2.0	76.5	75.5

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: INDIRECT SUPPORT
 PROGRAM: HEALTH SUPPORT SERVICES
 AGENCY: HEALTH, DEPARTMENT OF

REQUEST TITLE: REPAIRS AND BETTERMENT - GENERAL

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$1,050	-0-	\$ 780	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

A changed level of funding is being requested in order to install modular furniture for staff in open office areas, install a building-wide data communications network, and to replace the existing voice switching equipment with higher capacity equipment featuring voice mail capabilities.

DESCRIPTION/BACKGROUND:

Providing the necessary physical facilities has become a major issue as the numbers of staff have increased and office and laboratory technologies have changed. Work areas for staff must provide sufficient work surfaces, storage, and privacy necessary to promote productivity. Facilities must also be provided for voice and data communications equipment and services consistent with currently available technology.

Currently professional staff share work areas with clerical staff in large open office areas using standard office furniture. This environment is distracting to staff, and the standard office furniture does not provide adequate work surfaces or sufficient storage to provide space for computer and other necessary equipment. The use of standard office equipment also does not allow us effective use of prime office floor area as modular office equipment would.

Providing current technology voice and data communications systems for staff is also a major problem which must be resolved in order to meet demands during the current budget period and beyond. Personal computer networks have become increasingly necessary for data communication needs. Current coaxial networks will not meet projected network requirements due to inherent distance and terminal limitations. Current telephone switching equipment is also at capacity, approaching the end of its technological life expectancy, and does not provide voice message services which could enhance staff productivity.

RATIONALE:

The proposed solution for staff located in open office areas is to install modular systems furniture to replace the standard desks and furniture now used. The modular systems would include partitions to reduce distractions, enlarged work surfaces to provide for computer and other necessary equipment, and storage shelving attached to the partitions to provide the necessary storage space while more effectively making use of available floor area.

In order to provide for the current and projected computer network requirements, it is proposed that a building-wide network be installed using shielded twisted pair wiring with sufficient spare capacity to meet future projected needs. This shielded wiring would be used for both voice and data communications. Because the shielded wire must be installed in existing under-floor ducts, it is proposed to install this portion of the network in conjunction with the installation of the modular systems furniture. Installation of floor wiring after the modular systems furniture would require dismantling and reinstalling the modular furniture.

It is proposed that the existing telephone switching equipment be replaced in F.Y. 1991 in order to provide the necessary additional capacity to meet projected demand and in order to allow for the building-wide installation of voice mail. The current switching equipment was installed in 1982 and is at capacity without a costly upgrade. In addition, because of rapid technological changes in the communications industry, additional research and development funds are no longer being allocated to this model by the manufacturer. It is proposed that replacing the existing equipment with higher capacity equipment with current technology software will be more cost and service effective over the next 5 to 10 year period than upgrading existing equipment.

BASE: None.

LONG RANGE IMPLICATIONS: None.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST _____ Agency _____ Program - X Activity 1990-91 Biennial Budget

ACTIVITY: GENERAL SUPPORT
 PROGRAM: HEALTH SUPPORT SERVICES
 AGENCY: HEALTH, DEPARTMENT OF

REQUEST TITLE: INTERNAL AUDITING

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 80	2.0	\$ 80	2.0

Governor's Recommendation

General Fund	\$ 40	1.0	\$ 40	1.0
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Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests these funds to implement an internal audit function to review the agency's fiscal controls, procedures, and practices to be sure that dollars and other agency resources are handled legally and efficiently.

DESCRIPTION/BACKGROUND:

The department expends approximately \$90 million, takes in receipts of approximately \$57 million and employs approximately 800 employees at 9 locations throughout the state. The agency currently does not have an established function with the primary responsibility to determine if the agency's receipts and expenditures are subject to adequate controls and if controls are effectively operating:

This request is to implement an internal auditing function in the upcoming biennium. Funds will be used to hire 2.0 internal audit staff. These auditors will primarily audit fiscal controls and practices of the department.

RATIONALE:

The establishment of an internal audit function in this agency will help to fulfill the administration's commitment to sound financial management. Resources for internal auditing are particularly important for this agency because of the numerous and complex funding sources, the size of the department, the significant level of grants and contracts processed, and the fact that such a function does not currently exist.

BASE: None.

LONG RANGE IMPLICATIONS:

(Dollars in Thousands)
 F.Y. 1992 F.Y. 1993 Total

General Fund Expenditures	\$ 80	\$ 80	\$160
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GOVERNOR'S RECOMMENDATION:

The Governor recommends funding 1.0 internal auditor position in the MN Department of Health.

ACTIVITY: HEALTH INFORMATION
 Program: HEALTH SUPPORT SERVICES
 Agency: HEALTH, DEPARTMENT OF

1990-91 Biennial Budget

REVENUE: This activity generates non-dedicated revenue.

PURPOSE:

1. The Public Information Office (PIO) provides a variety of support services to department staff, Minnesota residents, public and private organizations, and members of the print and electronic media. The PIO assists department professionals in preparing written explanations of public health findings for dissemination to the general public via media services; responds to requests of the general public and the media for printed documents, general and specific information on MDH programs and activities, and up-to-date information on public health problems under investigation; and prepares, on a routine basis, press releases and media advisories on the latest disease outbreaks and regulatory activities of concern to the general public.
2. The Minnesota Center for Health Statistics (MCHS) provides coordinated application of computer technology to the management of department information resources and the generation of health statistics for state and national program decision making. The MCHS is responsible for designing, implementing, modifying, and operating health information systems, and coordinating acquisition of all computer equipment and software.
3. The Library Activity provides support to agency decision making by acquiring informational materials such as trade publications, records, reports, microfilms; by locating facts or data in response to specific information requests; by compiling lists of data bases available through computerized information networks; and the use of indexes and abstracting services.
4. The Vital Records Activity maintains a permanent file of birth and death certificates and indices of marriage and divorce in order to assist individuals in the establishment of their rights to certain public and private benefits and to provide federal, state and local decision makers with basic demographic information on which to make policy decisions.

PERFORMANCE INDICATORS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
<u>Public Information:</u>				
News Releases	50	72	80	90
Media Inquiries	800	900	1,000	1,000
Media Clippings Distributed to Department Staff	7,800	12,500	12,500	12,500
<u>Center for Health Statistics:</u>				
Major Statistical Reports	3	5	5	5
No. of Statistical Requests	1,334	1,300	1,200	1,200
County Profiles Published	87	--	87	--
Records Converted	276,000	280,000	280,000	280,000
<u>Library:</u>				
Circulation	10,717	10,800	11,000	11,000
Interlibrary Loans	4,816	4,900	4,900	5,000
<u>Vital Records:</u>				
Birth Certificates Coded and Filed	65,000	66,000	67,000	68,000
Death Certificates Coded and Filed	35,510	35,000	35,000	35,000
Marriage Reports Processed	35,060	35,000	35,000	35,000
Divorce Reports Processed	14,851	15,000	15,000	15,000
Certified Copies Issued	51,000	54,000	57,000	60,000

TYPE OF REVENUE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Non-Dedicated	\$ 410	\$ 434	\$ 470	\$ 488

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HEALTH,DEPT OF
PROGRAM : SUPPORT SERVICES
BUDGET ACTIVITY : HEALTH INFORMATION

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	1,570	1,277	1,303	0	1,303	1,303	1,303	0	1,303	1,303
EXPENSES/CONTRACTUAL SRVCS	160	472	472	0	472	472	472	0	472	472
MISC OPERATING EXPENSES	41	26	26	0	26	26	26	0	26	26
SUPPLIES/MATERIALS/PARTS	40	74	74	0	74	74	74	0	74	74
CAPITAL EQUIPMENT	21	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	1,832	1,849	1,875	0	1,875	1,875	1,875	0	1,875	1,875
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,132	1,232	1,258	0	1,258	1,258	1,258	0	1,258	1,258
STATUTORY APPROPRIATIONS:										
GENERAL	57	0	0	0	0	0	0	0	0	0
SPECIAL REVENUE	184	184	184	0	184	184	184	0	184	184
FEDERAL	459	433	433	0	433	433	433	0	433	433
TOTAL FINANCING	1,832	1,849	1,875	0	1,875	1,875	1,875	0	1,875	1,875
POSITIONS BY FUND:										
GENERAL	34.5	34.5	34.5	0.0	34.5	34.5	34.5	0.0	34.5	34.5
SPECIAL REVENUE	5.0	20.3	20.3	0.0	20.3	20.3	20.3	0.0	20.3	20.3
FEDERAL	14.5	2.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0
TOTAL POSITIONS	54.0	56.8	56.8	0.0	56.8	56.8	56.8	0.0	56.8	56.8

AGENCY PURPOSE:

The board exists to investigate claims of personal injury and property damage caused by the release of hazardous substances to the environment and to compensate victims for eligible losses due to such exposure.

OPERATIONS AND CLIENTELE:

The board consists of 2 public members and 3 professional members: an attorney, a physician and a health professional. Potential claimants include a wide variety of people who have been exposed to hazardous substances, most commonly via drinking water contaminated by improperly disposed hazardous waste. Eligible losses for which the board can award compensation include: replacement of contaminated drinking water, loss in selling price of a home due to the presence of contamination, chronic or progressive injuries, diseases or death caused by exposure to hazardous substances. Staff assists potential claimants with the process of applying for reimbursement and assists board members assigned to investigate claims with gathering information relevant to a determination. A preliminary determination to award or deny compensation is made by a professional member. Other board members and the claimant can challenge the preliminary determination, subjecting it to further consideration by the entire board. A decision becomes final when untested and accepted by the claimant or when issued by the entire board after consideration of the challenge.

ACTIVITY STATISTICS:

The board became administratively equipped to grant compensation beginning in May, 1987. In F.Y. 1987 it decided 19 claims, awarding \$26,000 to 18 claimants. In F.Y. 1988, the board decided 57 claims, awarding \$122,000 to 49 claimants. Yearly numbers of claimants are difficult to predict, being dependent on the discovery of new sites of releases of hazardous substances, numbers of people affected by a release, availability of other sources of funds for remedies to contamination problems, and lag times for the development of chronic or progressive diseases. Because the board has addressed claims from several past years in F.Y. 1987-88, the generation of new claims in F.Y. 1989 will most likely be at a level lower than F.Y. 1988.

EXPLANATION OF BUDGET REQUEST:

Since Laws 1985, Special Session, Chapter 8, establishes that the board's compensation fund of two million is available until expended and the number of claims expected in the next biennium is likely to be within the range estimated at the passage of the legislation (10 or low multiples of 10 annually), the available fund should be sufficient for the biennium. Legislative changes proposed this session would broaden property damage that is eligible for compensation and allow compensation for injuries and damage resulting from petroleum products. These changes will increase the numbers of potential claimants. However, the existing fund should be adequate to cover these claims and no new revenue is sought this biennium.

REVENUE/RECEIPTS:

Interest on the balance in the board's account is credited to that account. In F.Y. 1988 these earnings amounted to \$159,000. In F.Y. 1989 these earnings are projected to be \$162,000. The board does not generate any revenue.

ATTORNEY GENERAL COSTS:

	(Dollars in Thousands)			
	Actual F.Y. 1988	Act/Est F.Y.1989	Estimate F.Y.1990 F.Y.1991	
Fees for Legal Services Rendered				
Fees Assessed	\$ 5	\$ 4	\$ 2	\$ 2
Fee Paid	3	2	2	2

<u>INDEX</u>	(Dollars in Thousands)			<u>Page</u>
	Agency Request 1990-91 Biennium All Funds	Governor's Recommendation 1990-91 Biennium All Funds		
	<u>BASE Level Request</u>	<u>\$ 1,845</u>	<u>\$ 1,845</u>	
AGENCY Total	\$ 1,845	\$ 1,845		

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HAZARD SUBST INJ BD
PROGRAM : HAZARDOUS SUBSTANCE
BUDGET ACTIVITY : HAZARDOUS SUBSTANCE

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	48	44	44	0	44	44	44	0	44	44
EXPENSES/CONTRACTUAL SRVCS	18	23	23	0	23	23	23	0	23	23
MISC OPERATING EXPENSES	124	404	1,777	0	1,777	1,777	1,445	0	1,445	1,445
SUPPLIES/MATERIALS/PARTS	0	1	1	0	1	1	1	0	1	1
TOTAL EXPENDITURES	190	472	1,845	0	1,845	1,845	1,513	0	1,513	1,513
SOURCES OF FINANCING:										
STATUTORY APPROPRIATIONS:										
GENERAL	190	472	1,845	0	1,845	1,845	1,513	0	1,513	1,513
TOTAL FINANCING	190	472	1,845	0	1,845	1,845	1,513	0	1,513	1,513
POSITIONS BY FUND:										
GENERAL	1.0	1.0	1.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0
TOTAL POSITIONS	1.0	1.0	1.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0

AGENCY: MINNESOTA INSTITUTE FOR ADDICTION
AND STRESS RESEARCH

1990-91 Biennial Budget

AGENCY PURPOSE:

The Minnesota Institute for Addiction and Stress Research will conduct and/or fund basic and clinical research in the areas of addictive disorders and stress-related diseases. The Institute will focus on research that will provide near-term benefits to clinicians who are dealing with disorders that are not generally responsive to currently available therapies. The general goals of the Institute are to (1) further basic understanding of the causes of addictive disorders and chronic viral infections and to (2) evaluate treatments that will assist practicing clinicians and reduce the public and private costs of addiction and stress. Statutory Reference: M.S. Ch. 152A

OPERATIONS AND CLIENTELE:

The Minnesota Institute for Addiction and Stress Research was created by the 1988 Legislature. Recognizing that the state is a national leader in primary treatment for alcoholics and addicts, the Institute would establish a research capability to assist and inform the on-going efforts of practicing clinicians. The Institute would address the 50 percent of chemically dependent persons who are not successfully abstinent with current therapies. These treatment "failures" are significant, considering that the state and counties spend over \$37,000,000 annually on treatment for chemically dependent low income persons, while the federal government, insurers and individuals spend another \$100 million for chemical dependency treatment for the rest of the population. These numbers ignore the costs of associated medical problems, the cost of lost productivity, and the costs of nicotine addiction.

The Board of the Institute was selected by the Governor in September, 1988 and includes the Commissioner of Health, as well as representatives of established health organizations, the corporate sector and the medical community. The Board has established committees to address the organizational and substantive issues facing the Institute. These committees include research scientists, treatment center directors, medical researchers, and others with a long-standing stake in the treatment of addiction.

The Board and its committees are in the process of drafting a plan to the legislature and the executive branch that will insure that the Institute will:

- (1) perform basic and clinical neurobiological research about addictive disorders;
- (2) perform basic research into stress as it relates to addictive and chronic viral disorders;
- (3) cooperate with other research and educational programs;
- (4) work with other clinicians to verify and implement the research findings;
- (5) secure outside funding;
- (6) manage a treatment program capable of clinical application statewide and therapist training; and
- (7) develop a program to educate the public about addictive and stress-related disorders.

ATTORNEY GENERAL COSTS:

Fees for Legal Services Rendered	Actual	Estimated	Agency Request	
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Fees Assessed	-0-	-0-	-0-	-0-
Fee Paid	-0-	-0-	-0-	-0-
Requested Budget	-0-	-0-	-0-	-0-

EXPLANATION OF BUDGET REQUEST:

The Institute's request for the state's portion of funding in the 1989-91 biennium is contained in the Minnesota Department of Health budget.

The Institute will also be actively seeking federal and private support for its efforts.

GOVERNORS RECOMMENDATION

The Governor recommends a reduction of \$320,000 for the biennium to reallocate the institute's BASE funding to the Health Department.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : ADDCTN STRESS RES IN
PROGRAM : ADDICTION/STRESS RESEARCH
BUDGET ACTIVITY : ADDICTION/STRESS RESEARCH

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
REDISTRIBUTIONS	0	0	0	0	0	<160>	0	0	0	<160>
STATE OPERATIONS	0	0	0	0	0	<160>	0	0	0	<160>
LOCAL ASSISTANCE	0	160	160	0	160	160	160	0	160	160
TOTAL EXPENDITURES	0	160	160	0	160	0	160	0	160	0
CHANGE REQUESTS:										
A TRANSFER INSTITUTE BASE TO MDH					0	<160>		0		<160>
TOTAL CHANGE REQUESTS					0	<160>		0		<160>
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	0	160	160	0	160	0	160	0	160	0
TOTAL FINANCING	0	160	160	0	160	0	160	0	160	0
POSITIONS BY FUND:										
TOTAL POSITIONS										

CHANGE REQUEST 1990-91 Biennial Budget
 Agency Program Activity

AGENCY: MINNESOTA INSTITUTE FOR ADDICTION AND STRESS RESEARCH

REQUEST TITLE: INSTITUTE FUND TRANSFER

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Governor's Recommendation				
General Fund	\$ (160)	-0-	\$ (160)	-0-

Request requires statutory change: Yes No
 Statutes Affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends a reduction of \$320 for the biennium to reallocate the institute's base funding to the Health Department. A change request for the full expanded level of institute operations can be found in the Health Department budget. This request is of a technical nature, and is required to return Institute base funding to the Health Department.

DESCRIPTION/BACKGROUND:

Laws of Minnesota 1988, Chapter 689, Article 2, Sections 50-54 is the enabling legislation for the institute. The language is somewhat contradictory in that in one section the institute is to be funded by a grant from the Health Department, while other sections contain language that have the practical effect of making the institute a department of state government. The administration will seek legislation to clarify these provisions.

AGENCY PURPOSE:

The Minnesota Board of Chiropractic Examiners exists to protect the residents of Minnesota by enforcing the Chiropractic Practice Act M.S. 148.01 to 148.106.

OPERATION AND CLIENTELE:

In order to meet the board's responsibilities for F.Y. 1990 and F.Y. 1991, the board's activities will involve:

- 1) Testing applicants for licensure.
- 2) Licensing applicants who meet all requirements.
- 3) Renewing registration of existing licensees.
- 4) Processing complaints.
- 5) Approving programs which prepare for relicensure.
- 6) Registering professional corporations.
- 7) Developing and applying rules governing various aspects of chiropractic practice.
- 8) Administration and support of the Peer Review Committee and it's processes.

ACTIVITY STATISTICS:

	Actual F.Y. 1987	Actual F.Y. 1988	Act/Est F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Licensed Chiropractors	1,502	1,898	2,023	2,163	2,318
New Licenses Issued	144	105	125	140	155
Licenses Renewed	1,358	1,793	1,898	2,023	2,163
Licensed Corporations	114	111	126	140	155
Corporations Renewed	80	94	110	135	150
Continuing Education					
Seminars	100	204	225	250	275
Complaints Received	201	180	200	225	250
Peer Review Claims					
Received	0	29	100	200	250

ATTORNEY GENERAL COSTS:

	(Dollars in Thousands)				
	Actual F.Y. 1987	Actual F.Y. 1988	Estimate F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Fees for Legal Services Rendered	\$ 27	\$ 22	\$ 35	\$ 20	\$ 20
Fees Assessed	27	22	35	20	20
Fee Paid					

REVENUE/RECEIPTS:

This agency generates non-dedicated revenue.

	(Dollars in Thousands)			
	Actual F.Y. 1988	Act/Est F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Special Revenue	\$ 199	\$ 228	\$ 284	\$ 313

EXPLANATION OF BUDGET REQUEST:

The board is requesting an increase of \$95,000 in F.Y. 1990 and \$81,000 in F.Y. 1991 to enable it to meet the statutory requirements of the board by addition of new staff, equipment, updating the board's examination procedures, and implementing in-house license renewal and control of continuing education hours. New legislation passed includes Peer Review, which regulates the cost of health care.

The board collects fees sufficient to cover its cost of operation.

<u>INDEX</u>	(Dollars in Thousands)		<u>Page</u>
	Agency Request 1990-91 Biennium All Funds	Governor's Recommendation 1990-91 Biennium All Funds	
BASE Level Request	\$ 340	\$ 340	
Agency-wide CHANGE Requests			
Personnel Services			
Staff - Equipment	176	176	
AGENCY Total	\$ 516	\$ 516	

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CHIROPRACTIC EXAM BD
PROGRAM : BD OF CHIROPRACTORS
BUDGET ACTIVITY : BD OF CHIROPRACTORS

EXPENDITURES:	F.Y. 1990					F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	79	94	95	76	171	171	95	76	171	171
EXPENSES/CONTRACTUAL SRVCS	65	94	49	5	54	54	51	5	56	56
MISC OPERATING EXPENSES	15	17	17	0	17	17	17	0	17	17
SUPPLIES/MATERIALS/PARTS	9	2	2	14	16	16	2	0	2	2
CAPITAL EQUIPMENT	7	6	6	0	6	6	6	0	6	6
REDISTRIBUTIONS	6	7	7	0	7	7	7	0	7	7
TOTAL EXPENDITURES	181	220	176	95	271	271	178	81	259	259
CHANGE REQUESTS: FUND										
A PERSONNEL SERVICES - STAFF - EQUIPMENT				95		95		81		81
TOTAL CHANGE REQUESTS				95		95		81		81
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
SP REV DIRECT APPROP	175	169	169	95	264	264	171	81	252	252
STATUTORY APPROPRIATIONS:										
SP REV DIRECT APPROP	6	51	7	0	7	7	7	0	7	7
TOTAL FINANCING	181	220	176	95	271	271	178	81	259	259
POSITIONS BY FUND:										
SP REV DIRECT APPROP	3.1	3.1	3.1	2.0	5.1	5.1	3.1	2.0	5.1	5.1
TOTAL POSITIONS	3.1	3.1	3.1	2.0	5.1	5.1	3.1	2.0	5.1	5.1

CHANGE REQUEST 1990-91 Biennial Budget
 Agency Program Activity

ACTIVITY: CHIROPRACTIC EXAMINERS, BOARD OF
 PROGRAM: CHIROPRACTIC EXAMINERS, BOARD OF
 AGENCY: CHIROPRACTIC EXAMINERS, BOARD OF

REQUEST TITLE: PERSONNEL SERVICES - STAFF - EQUIPMENT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Special Revenue Fund-12	\$ 95	2.0	\$ 81	2.0

Governor's Recommendation

Special Revenue Fund-12	\$ 95	2.0	\$ 81	2.0
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Request requires statutory change: Yes No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The board proposes a 2.0 position increase in staff to assist in the complaint processing of alleged violations of M.S. 148 and assist in the rule making process regarding these statutes, and the upgrading of the Clerk IV to a Management Analyst II to ensure the continued reliability and validity of the board's testing function and to insure licensing compliance and continuing education requirements are met and controlled according to Minnesota Statutes and Rules.

	(Dollars in Thousands)	
	F.Y. 1990	F.Y. 1991
2 New Positions:		
Commerce Investigators (Unclassified)		
Salary X 2	\$ 54	\$ 54
20% Fringe	12	12
Reallocation:		
Clerk Typist IV to Management Analyst II (Unclassified)		
Estimated Salary Increase	8	8
Estimated 20% Fringe	2	2
Equipment for New Positions:	14	
Additional Office Space:	5	5
GRAND TOTAL:	\$ 95	\$ 81

DESCRIPTION/BACKGROUND:

The CHANGE level request is necessitated due to the increase in regulated clientele and the resulting increased workload. The chiropractic profession is increasing at 8-10% annually. The number of licensed chiropractors in F.Y. 1987 was 1,502 and we project that this number will raise to 2,175 by F.Y. 1991. The statutory obligations of the board cannot be met under current staffing.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Special Revenue Fund-12	\$ 175	\$ 169	\$ 169	\$ 171

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
Special Revenue Fund-12	\$ 81	\$ 81	\$ 162

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

AGENCY: DENTISTRY, BOARD OF

1990-91 Biennial Budget

AGENCY PURPOSE:

Through enforcement of the Dental Practices Act, the Professional Corporations Act and related board rules, the board ensures public protection to the residents of Minnesota with respect to the practice of dentistry.

OPERATION AND CLIENTELE:

The board examines every candidate for licensure or registration and annually licenses or registers 570 dental professionals and corporations; renews licenses and registrations for 11,000 clientele; acts on 170 complaints; approves 50 continuing dental education sponsors; records and reports continuing dental education activities for 10,000 dental professionals involving over 60,000 activities; participates in or directs administration of 29 examinations; participates in 4 school accreditation site visits; and conducts 2 program evaluation site visits. The board establishes fees and collects fines in amounts that ensure recovery of the costs of its operation.

ACTIVITY STATISTICS:

	Actual F.Y. 1988	Estimate F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
No. of initial and reinstated licenses and registrations:				
Dentists	144	115	110	110
Dental Hygienists	140	120	120	120
Registered Dental Assistants	349	325	325	325
Professional Corps.	28	15	15	15
No. of licenses and registrations renewed:				
Dentists	3,846	3,875	3,850	3,850
Dental Hygienists	2,589	2,580	2,580	2,580
Registered Dental Assistants	3,460	3,430	3,450	3,450
Professional Corps.	711	700	700	700
No. of continuing education sponsors	101	50	50	50
No. of examinations administered/participated	28	29	29	29
No. of jurisdictional complaints	111	127	142	157
No. of formal disciplinary actions	41	51	57	63

The board has adopted rules concerning general anesthesia, mandatory CPR, infectious controls and auxiliary functions. An automated office management system has been developed and implemented that includes licensure, registration and continuing dental education. Communication with clientele continues with an annual newsletter and semi-annual CDE and licensure/registration reports.

ATTORNEY GENERAL COSTS:

	(Dollars in Thousands)			
	Actual F.Y. 1988	Estimate F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Fees for Services Rendered				
Fees Assessed	\$ 88	\$ 100	\$ 110	\$ 110
Fee Paid	88	100	110	110

REVENUE/RECEIPTS:

This agency generates non-dedicated revenue.

	(Dollars in Thousands)			
	Actual F.Y. 1988	Estimate F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Special Revenue	\$ 425	\$ 439	\$ 533	\$ 540

A fee increase is proposed effective with 1990 license and registration renewal. Fees collected for 1990 license and registration renewal affect F.Y. 1990. Fees collected for 1991 license and registration renewal affect F.Y. 1991.

EXPLANATION OF BUDGET REQUEST:

Appropriations requested and recommended provide funds with which the board will execute its responsibilities as established by statute. This includes examination, regulation and discipline of individuals and professional corporations that practice dentistry in the state of Minnesota.

The board collects fees sufficient to cover its cost of operation.

	(Dollars in Thousands)		
	Agency Request 1990-91 Biennium All Funds	Governor's Recommendation 1990-91 Biennium All Funds	Page
INDEX			
BASE Level Request	\$ 666	\$ 666	
Agency-wide CHANGE Requests Licensing & Disciplinary Functions	\$ 134	\$ 134	
AGENCY Total	\$ 800	\$ 800	

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : DENTISTRY, BOARD OF
PROGRAM : BD OF DENTISTRY
BUDGET ACTIVITY : BD OF DENTISTRY

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	179	213	215	58	273	273	215	58	273	273
EXPENSES/CONTRACTUAL SRVCS	65	55	55	8	63	63	55	8	63	63
MISC OPERATING EXPENSES	53	59	59	1	60	60	59	1	60	60
SUPPLIES/MATERIALS/PARTS	5	2	2	0	2	2	2	0	2	2
CAPITAL EQUIPMENT	15	2	2	0	2	2	2	0	2	2
REDISTRIBUTIONS	15	11	11	0	11	11	11	0	11	11
TOTAL EXPENDITURES	332	342	344	67	411	411	344	67	411	411
CHANGE REQUESTS:										
	FUND									
A LICENSING AND DISCIPLINARY FUNCTIONS				67			67			67
TOTAL CHANGE REQUESTS				67			67			67
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
SP REV DIRECT APPROP	317	331	333	67	400	400	333	67	400	400
STATUTORY APPROPRIATIONS:										
SP REV DIRECT APPROP	15	11	11	0	11	11	11	0	11	11
TOTAL FINANCING	332	342	344	67	411	411	344	67	411	411
POSITIONS BY FUND:										
SP REV DIRECT APPROP	5.5	5.0	5.0	2.0	7.0	7.0	5.0	2.0	7.0	7.0
TOTAL POSITIONS	5.5	5.0	5.0	2.0	7.0	7.0	5.0	2.0	7.0	7.0

CHANGE REQUEST _____ Agency _____ Program _____ Activity 1990-91 Biennial Budget

ACTIVITY: DENTISTRY, BOARD OF
 PROGRAM: DENTISTRY, BOARD OF
 AGENCY: DENTISTRY, BOARD OF

REQUEST TITLE: LICENSING AND DISCIPLINARY FUNCTIONS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Special Revenue Fund-12	\$ 67	2.0	\$ 67	2.0
Governor's Recommendation				
Special Revenue Fund-12	\$ 67	2.0	\$ 67	2.0
Request requires statutory change: _____ Yes <u>X</u> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The board requests 1.0 professional position to manage the increased disciplinary activity and 1.0 support position for the increased volume of licensure and CDE activity. In addition, the board requests additional funds to develop, upgrade and enhance the licensing, continuing dental education, and disciplinary systems as well as funds to cover the increased costs for postage, examinations, and printing. Total request is \$67,000 for each year of the biennium.

DESCRIPTION/BACKGROUND:

As noted in the statistics, the board's volume of complaints has increased significantly over the past 4 years. Although the board has adopted several efficiencies and implemented a comprehensive automated information management system, the volume of activity in this part of the operation necessitates additional staff to ensure complaint resolutions are prompt. This position is proposed in the professional class at range 10I (\$33,000).

An additional support position is requested to assist in the licensure and CDE functions. The information management system has permitted the board to forestall staff additions for several years, however, increased activity in both areas necessitates additional assistance. This increased activity includes verification of credentials for licensure; inquiry and certification of licensure status for other jurisdictions, agencies and organizations; increased volume in CDE credit requests and sponsor approval. The increase in licensure activity is related to federal regulations requiring health care facilities to verify licensure status at least every other year to maintain eligibility for certain federal programs. Other state and federal agencies are now requiring written verification of licensure status to participate in medical assistance programs, to maintain rank and privileges at/on federal installations and to apply/renew DEA controlled substance privileges. As the number of sponsors increases and as the clinical aspects of dentistry change, so does the volume of courses. Course credit requests have increased from 30,000 in 1985 to more than 60,000 in 1988. This position is proposed

at a clerical/technical range of 61H (\$25,000).

The present computer system has been upgraded over the past 2 years and is at a point that necessitates software and network enhancements to adequately handle the increased data flow. It is estimated that these costs will average \$5,000. Additional printing costs are anticipated as rules have been adopted that require additional verification of credentials for licensees and registrants providing certain services. This will be accomplished with self-mailers and will cost \$1,000.

Additional postage for all other forms of communication is necessitated with the increased postal fees. This includes license renewal/report, CDE report and newsletter distribution. It is estimated that this will cost \$1,000.

The board participates with 8 other states in the central region in the development and administration of clinical and didactic examinations. Two additional examinations are scheduled for 1990 and 1991 and will require board member participation at approximately \$500 per examiner per examination. The board supplies 2 examiners per examination. It is estimated that the additional examinations will cost \$2,000 per year.

STATISTICS:	Actual	Estimate	Estimate	Estimate
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. of jurisdictional complaints	111	127	142	157
No. of formal disciplinary actions	41	51	57	63

RATIONALE:

Failure to act promptly on complaints, matters of licensure and requests for CDE credit would jeopardize the public health and destroy the credibility of the board as an effective regulatory agency. The board will recover all costs through fee adjustments.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Special Revenue Fund-12	\$ 317	\$ 331	\$ 333	\$ 333

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
Special Revenue Fund-12	\$ 67	\$ 67	\$ 134

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

AGENCY: MEDICAL EXAMINERS, BOARD OF

1990-91 Biennial Budget

AGENCY PURPOSE:

To protect the citizens by ensuring that all practitioners meet state competency standards through enforcement of M.S. 146, 147, 148 and 319.

OPERATION AND CLIENTELE:

To protect the citizens through enforcement of Minnesota statutes by:

- 1) testing and interviewing each candidate for licensure or registration as a physician, physical therapist, mid-wife, physician assistant or corporation,
- 2) registering annually every physician, surgeon, or osteopathic physician, physical therapist, mid-wife, physician assistant or corporation,
- 3) receiving and taking action on every complaint or report of malpractice alleging a violation of the statutes, investigating allegations, conducting hearings, and taking disciplinary action as indicated,
- 4) endorsing applications of Minnesota residents to other states for licensure; certify status of licenses and registration to the public, drug enforcement agencies, state licensing boards, hospitals and clinics, specialties boards, medical societies, etc., and
- 5) enforcing continuing medical education requirements.

ACTIVITY STATISTICS:

	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Total complaints received	505	687	960	1,339	1,853
Total jurisdictional complaints reviewed by discipline committee	464	622	875	1,230	1,689
Total number of complaints referred to Office of the Attorney General for investigation	223	323	437	614	843
Total discipline committee agenda action items	193	227	341	479	658
Total committee decisions to discipline	45	70	96	134	184
Total board orders	48	60	87	123	169
Committee decisions to discipline which have not yet resulted in board orders	--	24	34	47	64

STATISTICS NARRATIVE

The board has experienced a 38% annual increase in complaint receipts over the past biennium. F.Y. 1989 receipt projections are based on year to date receipts as of 8-31-88 projected over a 12 month period. F.Y. 1990 and 91 receipts are based on the projected F.Y. 1989 receipts, plus an additional 24

complaints which the Foundation for Health Care Evaluation now expects to be submitting on an annual basis, per written notice of 8-25-88.

The total number of jurisdictional complaints which are reviewed by the discipline committee are fewer than the total complaint intake because a small number each year are received which are rightly under the jurisdiction of other agencies, or are matters which state government is unable to address. These matters are referred, where appropriate, or are handled administratively by the board staff. The actual number of jurisdictional complaints has averaged 91.15% of the total complaint intake over the past biennium. This factor has been used to project the number of jurisdictional complaints for the next biennium.

The total number of complaints which are referred to the Office of the Attorney General for investigation has historically been approximately 30% of the total complaint intake. However, over the past biennium, the number of referrals to the Office of the Attorney General has averaged 44.5% of the total complaint intake. This factor has been used to project the number of referrals for the next biennium.

The total number of discipline committee agenda action items has averaged 35.5% of the total complaint intake, or 78.4% of the total number of referrals to the Office of the Attorney General. For purposes of projection, 35.5% of the total complaint intake has been used since it yields a slightly more conservative result, even though there is a closer time relationship between this item and investigation referrals, as opposed to this item and total complaint intake.

The total number of committee decisions to recommend disciplinary orders has averaged 28% of the committee agenda items over the biennium. This factor is used to make projection for the next biennium.

The total number of board disciplinary orders has averaged 9.1% of the total complaint intake, or 25.6% of the number of discipline committee agenda action items over the past biennium. The former factor has been used in making the projections for the next biennium.

Committee decisions which have not yet resulted in board orders is a new statistic for which the board has data only from F.Y. 1988. For that year there are 24 cases for which the discipline committee has decided to recommend the issuance of a disciplinary order which are as yet unresolved because the respondent physician has declined to sign a stipulated order. This is out of a total of 70 decisions to recommend disciplinary orders. These cases have a high likelihood of requiring a contested case proceeding before an administrative law judge (ALJ). This number constitutes a 35% rate of cases with a high probability of resulting in a contested case proceeding. Although there are no other years to compare this rate to, it is the only predictive tool available at present to project the number of contested cases the board will have to plan and budget for during the next biennium. Cost figures for the average contested case are shown below.

It is estimated that these cases would require an average of 3 days of hearing time to complete. Based on current information, the costs of a 3 day hearing would break down as follows:

AGENCY: MEDICAL EXAMINERS, BOARD OF
(Continuation)

1990-91 Biennial Budget

ALJ, court reporter and transcripts:	\$ 7,800
Consultant costs	3,000
Attorney fees	4,500
TOTAL	\$15,300

The committee decisions which do not result in board orders in any given year result in probable contested case costs for the next fiscal year. Given the data available on these cases at the present, the following appear to represent the board's contested costs for F.Y. 1989, 90 and 91:

	(Dollars in Thousands)		
	(24 Actual)	(34 Projected)	(47 Projected)
	F.Y. 1989	F.Y. 1990	F.Y. 1991
Direct	\$ 259	\$ 367	\$ 507
Indirect	108	153	211
TOTAL	\$ 367	\$ 520	\$ 719

The board's previous history with contested cases has been a volume of 1-3 per year. The increase is directly attributable to changes in the Medical Practice Act effected in 1985 which requires health professional to report problem physicians to the board and require the board to publish disciplinary actions. The results have been a dramatic increase in the number of substantive and difficult complaints which indicate potential danger to public health and safety, and a greater unwillingness on the part of physicians to settle cases informally from fears of publication.

The board has no real history with the present volume of contested cases and thus no basis for projecting how many of these cases will eventually settle prior to hearings at a lower cost.

In order to avoid unnecessary appropriation requests, and resultant unnecessary fee increases, the board at this time assumes that the bulk of these cases will in fact settle.

We are, however, requesting increased appropriations to cover the board's direct costs as is allowed by the current fee structure. Details are shown in the CHANGE level request.

ATTORNEY GENERAL COSTS:

	(Dollars in Thousands)			
	Actual	Act/Est *	Estimated**	Estimated**
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
	\$ 404	\$ 450	\$ 510	\$ 562

* F.Y. 1989 figures are annualized billings for 7-1-88 through 8-2-88. They coincide with projections made for the previous biennium.

** A 10.3% increase occurred between F.Y. 1988 and F.Y. 1989. This factor is used to project F.Y. 1990 and F.Y. 1991.

REVENUE/RECEIPTS:

This agency generates non-dedicated revenue.

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Special Revenue	\$ 1,986	\$ 2,061	\$ 2,102	\$ 2,276

EXPLANATION OF BUDGET REQUEST:

The board is requesting an increase of \$158,000 in F.Y. 1990 and \$266,000 in F.Y. 1991, an increase in staff complement of 4.0 positions for all of F.Y. 1990, 2.0 additional positions beginning in the second half of F.Y. 1990 and 1.0 more position for F.Y. 1991, for a total dollar request of \$456,000 and 7.0 positions for the biennium.

Increased costs are directly related to increased board activity in conducting contested cases in disciplinary matters.

All appropriations and costs related to board activities are recovered through fees, with no fee increase anticipated.

INDEX	(Dollars in Thousands)		Page
	Agency Request	Governor's	
	1990-91 Biennium	1990-91 Biennium	
BASE Level Request	\$ 2,784	\$ 2,784	
Agency-wide CHANGE Requests			
Discipline Activity--Contested			
Case Proceedings	424	424	
AGENCY Total	\$ 3,208	\$ 3,208	

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : MEDICAL EXAMNRS,BD OF
PROGRAM : BD OF MEDICAL EXAM
BUDGET ACTIVITY : BD OF MEDICAL EXAM

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	467	565	669	0	669	669	669	0	669	669
EXPENSES/CONTRACTUAL SRVCS	299	757	587	158	745	745	587	266	853	853
MISC OPERATING EXPENSES	63	48	81	0	81	81	81	0	81	81
SUPPLIES/MATERIALS/PARTS	23	12	40	0	40	40	40	0	40	40
CAPITAL EQUIPMENT	16	10	15	0	15	15	15	0	15	15
REDISTRIBUTIONS	23	22	22	0	22	22	22	0	22	22
TOTAL EXPENDITURES	891	1,414	1,414	158	1,572	1,572	1,414	266	1,680	1,680
CHANGE REQUESTS: FUND										
A INCREASE IN DISCIPLINE AND RULES DAS ACTIVITIES				158		158		266		266
TOTAL CHANGE REQUESTS				158		158		266		266
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
SP REV DIRECT APPROP	868	1,392	1,392	158	1,550	1,550	1,392	266	1,658	1,658
STATUTORY APPROPRIATIONS:										
SP REV DIRECT APPROP	23	22	22	0	22	22	22	0	22	22
TOTAL FINANCING	891	1,414	1,414	158	1,572	1,572	1,414	266	1,680	1,680
POSITIONS BY FUND:										
SP REV DIRECT APPROP	17.0	17.0	17.0	6.0	23.0	23.0	17.0	7.0	24.0	24.0
TOTAL POSITIONS	17.0	17.0	17.0	6.0	23.0	23.0	17.0	7.0	24.0	24.0

CHANGE REQUEST 1990-91 Biennial Budget
 Agency Program Activity

ACTIVITY: MEDICAL EXAMINERS, BOARD OF
 PROGRAM: MEDICAL EXAMINERS, BOARD OF
 AGENCY: MEDICAL EXAMINERS, BOARD OF

REQUEST TITLE: INCREASED DISCIPLINE AND LICENSING RESPONSIBILITIES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Special Revenue Fund-12	\$ 158	6.0	\$ 266	7.0

Governor's Recommendation

Special Revenue Fund-12	\$ 158	6.0	\$ 266	7.0
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Request requires statutory change: Yes No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The Medical Examiners Board requests the above funds to meet the increased disciplinary caseload projected for the 1988-89 biennium and to ensure proper monitoring of the licensure activity.

DISCIPLINE ACTIVITY CONTESTED CASE PROCEEDINGS:

As detailed in activity statistics, the board has a number of disciplinary cases which are awaiting prosecution by the Office of Attorney General in contested case proceedings. As stated in the discussion of these cases, the board has insufficient experience with this number of contested cases to predict how many will settle prior to going to full hearing. Cost to the board for these cases are generated by hearing officers, court reporters, transcript copies and consultants as detailed above. For purposes of planning, we are arbitrarily assuming that most of these cases will settle prior to reaching a full hearing. However, to cover the costs of those which do not settle, the board is requesting an increase in appropriations of \$158,000 for F.Y. 1990 and \$266,000 for F.Y. 1991. These increases will not require fee increases according to current revenue projections.

Discipline Activity Contested Case Proceedings	(Dollars in Thousands)	
	F.Y. 1990	F.Y. 1991
ALJ, Court Reporter and Transcript Costs	\$ 115	\$ 202
Consultant Costs	43	64
TOTALS	\$ 158	\$ 266

DISCIPLINE ACTIVITY:

The number of complaints received by the board has increased at an annual rate of approximately 36% (F.Y. 1987--505, F.Y. 1988--687, F.Y. 1989--960, F.Y. 1990--1,325, F.Y. 1991--1829). Board staff management has planned for a maximum complaint case work-load of approximately 300 cases per analyst per year. The current staffing level of 3.0 analysts and 1.0 lead worker would have had a case load slightly exceeding that by the end of F.Y. 1989, accord-

ing to previous projections of 1,047 complaints for F.Y. 1988 and 1,268 for F.Y. 1989. These projections were based, in part, on the expectation of receiving a greatly increased number of referrals from the federal peer review contractor, the Foundation for Health Care Evaluation, due to changes in federal law and regulation. Referrals from that organization did not materialize in any significant numbers during F.Y. 1988-89. As a result, it is now anticipated that complaint receipts will not significantly exceed the planned level of 300 per complaint unit staff member until the 2nd half of F.Y. 1990. Therefore, complaint unit complement increases can be deferred until that time. Current projections indicate that the complaint case load will require the addition of 1.0 professional position and 1.0 clerical position in the 2nd half of F.Y. 1990, and 1.0 additional professional position in F.Y. 1991. This is a complement request only. No new dollars are needed as this can be funded from BASE level appropriation.

RULES ACTIVITY

Over the past 5-10 years, changes in state law, changes in the policy and activities of national credentialing and testing organizations, and changes in board policy have created the need for the promulgation of administrative rules.

The board has until very recently suffered from a chronic shortage of staff and a chronic case-load backlog. As the board has added additional staff and addressed the case-load backlog the need for administrative rules has, itself, become backlogged. Currently, there is a roster of some 12 rule topics in the above categories awaiting completion.

Research conducted by board staff during the past legislative session shows that administrative rule development is a full time job in a professional classification, requiring 90-120 days per non-controversial rule and 12-18 months per controversial rule. Additionally, rule development requires adequate clerical support.

The board has already begun development of 2 of the highest priority rules related to physical therapy scope of practice and physician fee-splitting, with existing staff complement. However, given the size of the rules backlog, and the amount of time and effort required to develop each topic, the board is requesting 1.0 full time professional complement position, and 0.5 clerical complement to accomplish the boards present and on-going rule needs. This is a complement change request only. No new dollars are needed as the change can be funded from the BASE level appropriation.

GENERAL CLERICAL SUPPORT:

As a result of changes made to the Medical Practices Act by the 1985 Legislature, the board's work volume increased substantially. In order to accomplish this work, the board sought and received legislative approval to increase the professional staff complement in its discipline activity by 3.0 positions. The work output from these 3.0 positions exceeded the capacity of the existing clerical staff complement, and the board requested permission from the Department of Finance and the Department of Employee Relations to convert 1.0 temporary, non-complement position to a full time non-complement position in April, 1988. Both departments approved the board's request with the understanding that this represented a permanent increment in the clerical staff of the board, and with the understanding that the board would request that this position be made a part of the board's permanent, full time comple-

CHANGE REQUEST 1990-91 Biennial Budget

Agency Program Activity
(Continuation)

ACTIVITY: MEDICAL EXAMINERS, BOARD OF
PROGRAM: MEDICAL EXAMINERS, BOARD OF
AGENCY: MEDICAL EXAMINERS, BOARD OF

ment in its next legislative budget submission. This is a complement change request only. No new dollars are needed as this change can be funded from the same level appropriation.

LICENSURE ACTIVITY

The board currently maintains its licensure data records in a system which combines manual records and computerized records using the Department of Administration's main-frame computer in the State Wide Licensure II system. This is an antiquated system, which does not allow the board to store all data required by current law, nor does it allow for the production of reports which are currently necessary. In order to rectify this situation, the board is in the process of developing a new, in-house licensure computer system to replace and upgrade the licensure data storage and retrieval capabilities. The new system is being developed by the Inter Technologies Group of the Department of Administration with previously allocated money. Because data entry and systems operation functions, which are now being performed by the Department of Administration and the Department of Health under State Wide Licensure II, will be performed by the board staff, additional personnel will be necessary. Inter Technologies Group and board staff estimate that 1.0 full time professional complement and 0.5 clerical complement are needed to carry out these functions. This is a complement CHANGE request only. No new dollars are needed as this can be funded from BASE level appropriations.

RATIONALE:

It is essential that the board meet its statutory responsibilities in the area of licensure and enforcement of professional standards and discipline. If the board is unable to meet these responsibilities, the public health is impaired and the board is vulnerable to tort claims by aggrieved patients.

	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
<u>BASE:</u>				
Special Revenue Fund-12	\$ 891	\$ 1,392	\$ 1,392	\$ 1,392

	<u>(Dollars in Thousands)</u>		
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Total</u>
<u>LONG RANGE IMPLICATIONS:</u>			
Special Revenue Fund-12	\$ 266	\$ 266	\$ 532

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

AGENCY: NURSING, BOARD OF

1990-91 Biennial Budget

AGENCY PURPOSE:

The Minnesota Board of Nursing exists to provide a reasonable assurance to the public that registered nurses and licensed practical nurses are safe and competent practitioners by enforcement of the Nurse Practice Act, M.S. 148.171-148.299 and various other statutes. The board implements certain provisions of Public Law 100-203 pertaining to nurse aide training.

OPERATIONS AND CLIENTELE:

In order to meet the objective for F.Y. 1990 and F.Y. 1991, the board's enforcement of the Nurse Practice Act and various other statutes will involve

- 1) testing applicants for licensure;
- 2) licensing applicants who meet all requirements;
- 3) renewing registration of existing licensees;
- 4) processing complaints;
- 5) approving nursing programs which prepare for licensure;
- 6) registering nursing businesses;
- 7) approving nurse aide training programs and competency evaluation programs;
- 8) maintaining a registry of nurse aides; and
- 9) developing and applying rules governing various aspects of nursing practice. The board sets fees to ensure recovery of the cost of its operation.

ACTIVITY STATISTICS:

	Actual F.Y. 1988	Act/Est F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Number of Applicants Examined:				
Registered Nurse	1,664	1,700	1,700	1,700
Licensed Practical Nurse	804	800	800	800
Number of Licenses Granted				
by Examination:				
Registered Nurse	1,408	1,450	1,450	1,450
Licensed Practical Nurse	697	700	700	700
Number of Licenses Granted				
by Interstate Endorsement:				
Registered Nurse	1,086	1,000	1,000	1,000
Licensed Practical Nurse	182	200	200	200
Number of Re-registrations:				
Registered Nurse	41,000	42,000	42,000	42,000
Licensed Practical Nurse	19,500	19,800	20,000	20,000
Number of Complaints Processed:	466	500	550	600
Number of Disciplinary Actions:	91	100	150	200

"Complaints processed" does not include telephone complaints not followed up in writing by the complaining party or complaints referred to other boards.

EXPLANATION OF BUDGET REQUEST:

The board is requesting an increase of \$131,000, including 2.0 positions in F.Y. 1990 and \$91,000, including the same 2.0 positions in F.Y. 1991. The additional funding and positions will enable the board to distribute a newsletter to 65,000 licensees, adequately conduct the disciplinary activities and complete programming for our agency-wide computer system.

The board collects fees sufficient to cover its cost of operation.

ATTORNEY GENERAL COSTS:

	(Dollars in Thousands)			
	Actual F.Y. 1988	Act/Est F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Fees Assessed	\$ 90	\$ 80	\$ 90	\$ 90
Fee Paid	90	80	90	90

REVENUE/RECEIPTS

This agency generates non-dedicated revenue.

Type of Revenue	(Dollars in Thousands)			
	Actual F.Y. 1988	Estimate F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Special Revenue	\$ 991	\$ 976	\$ 1,202	\$ 1,199

INDEX	(Dollars in Thousands)		Page
	Agency Request 1990-91 Biennium All Funds	Governor's Recommendation 1990-91 Biennium All Funds	
BASE Level Request	\$ 1,852	\$ 1,852	
Agency-wide CHANGE Requests Newsletter, Programming and Disciplinary caseload	222	222	
AGENCY Total	\$ 2,074	\$ 2,074	

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : NURSING,BOARD OF
PROGRAM : BD OF NURSING
BUDGET ACTIVITY : BD OF NURSING

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	557	677	649	71	720	720	649	71	720	720
EXPENSES/CONTRACTUAL SRVCS	142	283	196	60	256	256	200	20	220	220
MISC OPERATING EXPENSES	92	81	70	0	70	70	70	0	70	70
SUPPLIES/MATERIALS/PARTS	9	7	5	0	5	5	5	0	5	5
CAPITAL EQUIPMENT	5	13	4	0	4	4	4	0	4	4
REDISTRIBUTIONS	0	24	24	0	24	24	24	0	24	24
TOTAL EXPENDITURES	805	1,085	948	131	1,079	1,079	952	91	1,043	1,043
CHANGE REQUESTS:										
A NEWSLETTER, PROGRAMMING AND DISCIPLINARY DAS CASELOAD				131		131		91		91
TOTAL CHANGE REQUESTS				131		131		91		91
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
SP REV DIRECT APPROP	805	911	924	131	1,055	1,055	928	91	1,019	1,019
STATUTORY APPROPRIATIONS:										
SP REV DIRECT APPROP	0	174	24	0	24	24	24	0	24	24
TOTAL FINANCING	805	1,085	948	131	1,079	1,079	952	91	1,043	1,043
POSITIONS BY FUND:										
SP REV DIRECT APPROP	19.5	22.5	19.5	2.0	21.5	21.5	19.5	2.0	21.5	21.5
TOTAL POSITIONS	19.5	22.5	19.5	2.0	21.5	21.5	19.5	2.0	21.5	21.5

CHANGE REQUEST X Agency Program Activity 1990-91 Biennial Budget

ACTIVITY: NURSING, BOARD OF
PROGRAM: NURSING, BOARD OF
AGENCY: NURSING, BOARD OF

REQUEST TITLE: NEWSLETTER, PROGRAMMING AND DISCIPLINARY CASELOAD

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Special Revenue Fund-12	\$ 131	2.0	\$ 91	2.0
Governor's Recommendation				
Special Revenue Fund-12	\$ 131	2.0	\$ 91	2.0

Request requires statutory change: Yes X No
Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The board requests the above positions to handle the disciplinary caseload. The \$131,000 requested for F.Y. 1990 is for publication of a newsletter to each licensee and completion of the programming for our computer system. The programming costs will not be incurred in F.Y. 1991.

DESCRIPTION/BACKGROUND:

The board is seeking an additional \$20,000 in both F.Y. 1990 and F.Y. 1991 to continue distribution of the board newsletter to each of the approximately 65,000 licensees. In F.Y. 1989, distribution was expanded to individual licensees on a trial basis and the response was overwhelmingly favorable.

The disciplinary function of the board increases each year. In F.Y. 1989, the board had about 450 cases open at any one time, most requiring monitoring. The staff speak to at least 25 groups per year. The board would like to study the desirability of a diversion program for nurses who abuse drugs. One additional professional position and one clerical support person (\$71,000 each year) are requested for disciplinary activity.

Computerization of records and supporting processes started in 1986. Programming for the disciplinary section is incomplete. It is anticipated that an additional \$40,000 in F.Y. 1990 will be sufficient to complete the project.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Special Revenue Fund-12	\$ 801	\$ 910	\$ 924	\$ 928

LONG RANGE IMPLICATIONS:

Special Revenue Fund-12

(Dollars in Thousands)		
F.Y. 1992	F.Y. 1993	Total
\$ 91	\$ 91	\$ 182

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

AGENCY PURPOSE:

To protect Minnesota residents, particularly those cared for in long-term care facilities, by ensuring that all nursing home administrators meet competency standards as established by M.S. 144.19.

OPERATIONS AND CLIENTELE:

In order to carry out its objectives, the board will process between 150 and 175 applications for original licensure. It will administer between 250 and 275 examinations. It will issue renewal licenses for 975 to 1,000 licensees. It will review between 450 to 475 educational offerings and process approximately 24 written complaints annually. The board sets fees to ensure recovery of the costs of its operations.

ACTIVITY STATISTICS:

	Actual F.Y. 1988	Act/Est F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Applications Processed	150	150	160	165
Examinations Administered	250	250	250	265
Licenses Issued	975	975	975	975
Education Offerings Reviewed	450	450	450	450
Written Complaints Received	24	28	30	35

ATTORNEY GENERAL COSTS:

	(Dollars in Thousands)			
	Actual F.Y. 1988	Act/Est F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Fees for Legal Services Rendered				
Fees Assessed	\$ 4	\$ 8	\$ 8	\$ 8
Fee Paid	4	8	8	8

REVENUE/RECEIPTS:

This agency generates non-dedicated revenue.

	(Dollars in Thousands)			
	Actual F.Y. 1988	Act/Est F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Special Revenue	\$ 147	\$ 157	\$ 162	\$ 165

EXPLANATION OF BUDGET REQUEST:

The board is not requesting any changes or increases in its biennial budget.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : NURSING HM ADM,EX BD
PROGRAM : BD OF NURS HOME ADMIN
BUDGET ACTIVITY : BD OF NURS HOME ADMIN

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	93	98	99	0	99	99	99	0	99	99
EXPENSES/CONTRACTUAL SRVCS	19	24	25	0	25	25	25	0	25	25
MISC OPERATING EXPENSES	9	15	15	0	15	15	15	0	15	15
SUPPLIES/MATERIALS/PARTS	1	2	2	0	2	2	2	0	2	2
REDISTRIBUTIONS	7	6	6	0	6	6	6	0	6	6
TOTAL EXPENDITURES	129	145	147	0	147	147	147	0	147	147
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
SP REV DIRECT APPROP	122	139	141	0	141	141	141	0	141	141
STATUTORY APPROPRIATIONS:										
SP REV DIRECT APPROP	7	6	6	0	6	6	6	0	6	6
TOTAL FINANCING	129	145	147	0	147	147	147	0	147	147
POSITIONS BY FUND:										
SP REV DIRECT APPROP	2.0	2.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0
TOTAL POSITIONS	2.0	2.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0

AGENCY PURPOSE:

The Board of Optometry serves to protect Minnesota residents by assuring that all practitioners meet state services and competency standards as set forth in the Minnesota Optometric Practice Act (M.S. 148.52 - 148.62).

OPERATION AND CLIENTELE:

In order for this board to meet its objectives in F.Y. 1990 and F.Y. 1991, the board will process 60 applicants for licensure, administer examinations to 50 applicants, issue over 725 license renewals, review 60 continuing education programs and investigate 5 complaints. In addition, the board will hold 2 rules hearings.

ACTIVITY STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Examinations	58	50	50	50
License Renewals Issues	694	725	740	760
Complaints Investigated	6	5	5	5

ATTORNEY GENERAL COSTS:

	<u>(Dollars in Thousands)</u>			
	<u>Actual</u>	<u>Act/Est</u>	<u>Estimate</u>	<u>Estimate</u>
<u>Services Rendered</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Fees Assessed	\$ 4	\$ 4	\$ 5	\$ 5
Fee Paid	3	4	5	5

REVENUE/RECEIPTS:

This agency generates non-dedicated revenue.

<u>Type of Revenue</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Special revenue	\$ 54	\$ 57	\$ 76	\$ 78

EXPLANATION OF BUDGET REQUEST:

The board is requesting the level of funding for biennium 1990-91 be increased above current funding level. The board is anticipating higher expenses in the next biennium. Therefore, to compensate for additional expenses an increased license renewal and penalty fee is proposed, effective F.Y. 1990.

The board collects fees sufficient to cover its cost of operation.

<u>INDEX</u>	<u>(Dollars in Thousands)</u>		<u>Page</u>
	<u>Agency Request</u>	<u>Governor's</u>	
	<u>1990-91 Biennium</u>	<u>Recommendation</u>	
	<u>All Funds</u>	<u>All Funds</u>	
BASE Level Request	\$ 96	\$ 96	
Agency-wide CHANGE Requests			
Personnel Staffing Increase	20	20	
AGENCY Total	\$ 116	\$ 116	

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : OPTOMETRY, BOARD OF
PROGRAM : BD OF OPTOMETRY
BUDGET ACTIVITY : BD OF OPTOMETRY

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	27	26	26	9	35	35	26	11	37	37
EXPENSES/CONTRACTUAL SRVCS	9	12	12	0	12	12	12	0	12	12
MISC OPERATING EXPENSES	9	9	9	0	9	9	9	0	9	9
SUPPLIES/MATERIALS/PARTS	0	1	1	0	1	1	1	0	1	1
CAPITAL EQUIPMENT	1	0	0	0	0	0	0	0	0	0
REDISTRIBUTIONS	6	7	7	0	7	7	7	0	7	7
TOTAL EXPENDITURES	52	55	55	9	64	64	55	11	66	66
CHANGE REQUESTS: FUND										
A INCREASE IN GENERAL OPERATING COSTS					9	9		11		11
TOTAL CHANGE REQUESTS					9	9		11		11
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
SP REV DIRECT APPROP	46	48	48	9	57	57	48	11	59	59
STATUTORY APPROPRIATIONS:										
SP REV DIRECT APPROP	6	7	7	0	7	7	7	0	7	7
TOTAL FINANCING	52	55	55	9	64	64	55	11	66	66
POSITIONS BY FUND:										
SP REV DIRECT APPROP	0.5	0.5	0.5	0.6	1.1	1.1	0.5	0.6	1.1	1.1
TOTAL POSITIONS	0.5	0.5	0.5	0.6	1.1	1.1	0.5	0.6	1.1	1.1

CHANGE REQUEST 1990-91 Biennial Budget
 Agency Program Activity

ACTIVITY: OPTOMETRY, BOARD OF
 PROGRAM: OPTOMETRY, BOARD OF
 AGENCY: OPTOMETRY, BOARD OF

REQUEST TITLE: INCREASE IN GENERAL OPERATING COSTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Special Revenue Fund-12	\$ 9	.6	\$ 11	.6
Governor's Recommendation				
Special Revenue Fund-12	\$ 9	.6	\$ 11	.6

Request requires statutory change: Yes No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The board anticipates the need for the above dollar amounts to provide services required of the board:

1. Change 1/4 time Clerk Typist I to a 3/4 time position.
2. Reclassification of Clerk Typist I position to Clerk Typist II position.
3. Increase 1/4 time Executive Director to a 1\3 time position.

DESCRIPTION/BACKGROUND:

1. Due to the workload as the result of increased license registration, it was necessary to employ a Clerk Typist I at 3/4 time. Presently, Clerk Typist I workload includes application for licensure, license renewals, inputting continuing education into the computer data base, review of continuing education programs and verification of certification of attendance, word processing of communications and other related tasks.
2. It is expected the board will entertain legislative initiative to rewrite the Minnesota Optometric Practice Act 148.52 - 148.62 in F.Y. 1990. This initiative will have profound impact on the board budget.
3. Due to the increased workload, an increase in the Executive Director's time is required. Although the change is marginal, it accurately reflects the work being done.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Special Revenue Fund-12	\$ 46	\$ 48	\$ 48	\$ 48

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
Special Revenue Fund-12	\$ 11	\$ 11	\$ 22

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

AGENCY PURPOSE:

The Minnesota Board of Pharmacy exists to protect the public from adulterated, misbranded and illicit drugs and from unethical or unprofessional conduct on the part of pharmacists or other licensees, and to provide a reasonable assurance of professional competency in the practice of pharmacy by enforcing the Pharmacy Practice Act M.S. 151, State Controlled Substances Act M.S. 152 and various other statutes.

OPERATIONS AND CLIENTELE:

In order to meet our objectives for F.Y. 1990 and F.Y. 1991 the board's enforcement of the Pharmacy Practice Act, the State Controlled Substances Act and other miscellaneous acts will involve:

- 1) testing applicants for licensure;
- 2) licensing successful candidates;
- 3) renew licenses of existing licensees;
- 4) reviewing Continuing Education (CE) participation of licensees;
- 5) licensing and inspecting pharmacies, drug wholesalers and drug manufacturers;
- 6) investigating complaints;
- 7) providing technical assistance, consultation and training to pharmacists and other health professionals, and;
- 8) developing and applying rules governing the various aspects of pharmacy practice.

ACTIVITY STATISTICS:

	Actual F.Y. 1988	Estimated F.Y. 1989	Estimated F.Y. 1990	Estimated F.Y. 1991
No. of People Examined	143	150	155	160
No. of Reciprocity Candidates Examined	93	90	95	95
No. of New People Licensed	191	190	195	200
No. of Pharmacist Licenses Renewed	4,352	4,300	4,350	4,400
No. of Facility Inspections Completed	1,479	1,800	1,800	1,800
No. of Facility Licenses Renewed	1,398	1,425	1,450	1,465
No. of Professional Education Offerings Reviewed	234	250	250	255
No. of Complaints Processed	96	105	110	115
No. of Disciplinary Actions	18	20	20	25

"Complaints processed" does not include telephone complaints not followed up in writing by the complaining party, complaints referred to other boards and complaints remedied in a less than formal manner.

EXPLANATION OF BUDGET REQUEST:

The board is requesting an increase of \$15,000 in F.Y. 1990 to enable us to implement a computer system that will allow us to bring our licensure function in-house. The change to an in-house system was begun in F.Y. 1989. It is anticipated that the additional \$15,000 will allow us to complete this project.

The board collects fees sufficient to cover its cost of operation.

ATTORNEY GENERAL COSTS:

	(Dollars in Thousands)			
	Actual F.Y. 1988	Act/Est F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Fees Assessed	\$ 19	\$ 23	\$ 24	\$ 26
Fee Paid	19	23	24	26

REVENUES/RECEIPTS:

This agency generates non-dedicated revenue.

TYPE OF REVENUE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Special Revenue	\$ 429	\$ 488	\$ 496	\$ 504

<u>INDEX</u>	(Dollars in Thousands)		<u>Page</u>
	Agency Request 1990-91 Biennium	Governor's Recommendation 1990-91 Biennium	
	All Funds	All Funds	
BASE Level Request	\$ 861	\$ 861	
Agency-wide CHANGE Request Computerization of License Information and Renewal	15	15	
AGENCY Total	\$ 876	\$ 876	

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request except for the changes detailed on the following CHANGE page.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PHARMACY, BOARD OF
PROGRAM : BD OF PHARMACY
BUDGET ACTIVITY : BD OF PHARMACY

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	264	296	298	0	298	298	298	0	298	298
EXPENSES/CONTRACTUAL SRVCS	57	69	70	15	85	85	71	0	71	71
MISC OPERATING EXPENSES	46	57	57	0	57	57	57	0	57	57
SUPPLIES/MATERIALS/PARTS	4	5	5	0	5	5	5	0	5	5
CAPITAL EQUIPMENT	1	0	0	0	0	0	0	0	0	0
REDISTRIBUTIONS	13	12	12	0	12	12	12	0	12	12
TOTAL EXPENDITURES	385	439	442	15	457	457	443	0	443	443
CHANGE REQUESTS: FUND										
A COMPUTERIZATION OF LICENSE INFORMATION & DAS RENEWALS				15		15		0		0
TOTAL CHANGE REQUESTS				15		15		0		0
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
SP REV DIRECT APPROP	372	427	430	15	445	445	431	0	431	431
STATUTORY APPROPRIATIONS:										
SP REV DIRECT APPROP	13	12	12	0	12	12	12	0	12	12
TOTAL FINANCING	385	439	442	15	457	457	443	0	443	443
POSITIONS BY FUND:										
SP REV DIRECT APPROP	7.0	7.0	7.0	0.0	7.0	7.0	7.0	0.0	7.0	7.0
TOTAL POSITIONS	7.0	7.0	7.0	0.0	7.0	7.0	7.0	0.0	7.0	7.0

CHANGE REQUEST 1990-91 Biennial Budget
 Agency Program Activity

ACTIVITY: PHARMACY, BOARD OF
 PROGRAM: PHARMACY, BOARD OF
 AGENCY: PHARMACY, BOARD OF

REQUEST TITLE: COMPUTERIZATION OF LICENSE INFORMATION AND RENEWALS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Special Revenue Fund-12	\$ 15	-0-	\$ -0-	-0-

Governor's Recommendation

Special Revenue Fund-12	\$ 15	-0-	\$ -0-	-0-
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Request requires statutory change: Yes No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The board is seeking an additional \$15,000 in F.Y. 1990 to complete the process of bringing our licensing function in-house on our own computer system.

DESCRIPTION/BACKGROUND:

For the past 15 years or so the board has had its license information and renewals on the Statewide Licensing System. Recently most agencies have, with the help of the Department of Administration, been converting their licensing functions to in-house systems. This process was begun for Pharmacy in F.Y. 1989. It is anticipated that an additional \$15,000 for F.Y. 1990 will be sufficient to complete the project.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Special Revenue Fund-12	\$ -0-	\$ 10	\$ -0-	\$ -0-

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request, pending IPO approval. The IPO originally denied this request due to limited funds and inadequate planning. However, since the board generates sufficient fees to provide the requisite funding, the sole obstacle to the project is adequate planning. The Executive Director of the board should work with IPO to ensure the project meets the planning standards the IPO has established.

AGENCY PURPOSE:

The Board of Podiatry exists to ensure the public of professional competency in the practice of podiatry. Authority for this activity is found in M.S. 153.

OPERATIONS AND CLIENTELE:

In order to meet the objectives for F.Y. 1990 and F.Y. 1991, activities will involve:

- 1) testing applicants for licensure;
- 2) licensing applicants who meet requirements;
- 3) reviewing continuing education programs and approving those which meet the criteria for license renewal;
- 4) renewing registration of existing licensees;
- 5) processing complaints;
- 6) registering professional corporations; and
- 7) applying rules adopted in F.Y. 1989. The board sets fees to ensure recovery of the cost of its operations.

ACTIVITY STATISTICS:

	Actual	Anticipated		
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
New Licenses Issued	6	7	7	7
Podiatrists Relicensed	144	143	143	143
Continuing Education Programs Reviewed	80	90	90	90
Jurisdictional Complaints	2	2	2	2
Disciplinary Actions	1	1	1	1
Complaints Dismissed	0	1	1	1

EXPLANATION OF BUDGET REQUEST:

The board is requesting a CHANGE level of \$16,000 in each of the fiscal years to enable the board to pay for administrative services to the board by the staff of the psychology board, by means of an inter-agency agreement. Details of the request are included in the change request attached.

The board collects fees sufficient to cover its cost of operation.

ATTORNEY GENERAL COSTS:

	(Dollars in Thousands)			
	Actual F.Y. 1988	Act/Est F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Fees for Legal Services Rendered				
Fees Assessed	\$ 5	\$ 3	\$ 2	\$ 2
Fees Paid	5	3	2	2

REVENUE/RECEIPTS:

This agency generates non-dedicated revenue.

Type of Revenue:	(Dollars in Thousands)			
	Actual F.Y. 1988	Estimate F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
SPECIAL REVENUE	\$ 14	\$ 33	\$ 33	\$ 33

(Dollars in Thousands)

INDEX	Agency Request	Governor's	Page
	1990-91 Biennium	Recommendation	
	All Funds	All Funds	
BASE Level Request	\$ 20	\$ 20	
Agency-wide CHANGE Requests			
Salary for Part-Time Staff	32	32	
AGENCY Total	\$ 52	\$ 52	

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PODIATRY, BOARD OF
PROGRAM : BD OF PODIATRY
BUDGET ACTIVITY : BD OF PODIATRY

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	1	1	1	16	17	17	1	16	17	17
EXPENSES/CONTRACTUAL SRVCS	3	3	3	0	3	3	3	0	3	3
MISC OPERATING EXPENSES	4	6	6	0	6	6	6	0	6	6
CAPITAL EQUIPMENT	2	0	0	0	0	0	0	0	0	0
REDISTRIBUTIONS	2	3	3	0	3	3	3	0	3	3
TOTAL EXPENDITURES	12	13	13	16	29	29	13	16	29	29
CHANGE REQUESTS: FUND										
A SALARY FOR PART TIME STAFF					16	16		16		16
TOTAL CHANGE REQUESTS					16	16		16		16
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
SP REV DIRECT APPROP	10	10	10	16	26	26	10	16	26	26
STATUTORY APPROPRIATIONS:										
SP REV DIRECT APPROP	2	3	3	0	3	3	3	0	3	3
TOTAL FINANCING	12	13	13	16	29	29	13	16	29	29
POSITIONS BY FUND:										
TOTAL POSITIONS										

CHANGE REQUEST X Agency _____ Program _____ Activity _____ 1990-91 Biennial Budget

ACTIVITY: PODIATRIC MEDICINE, BOARD OF
 PROGRAM: PODIATRIC MEDICINE, BOARD OF
 AGENCY: PODIATRIC MEDICINE, BOARD OF

REQUEST TITLE: SALARY FOR PART TIME STAFF

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Special Revenue Fund-12	\$ 16	-0-	\$ 16	-0-
Governor's Recommendation				
Special Revenue Fund-12	\$ 16	-0-	\$ 16	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The board requests the above dollar amounts to cover the costs of a part-time staff, as follows:

The Board of Psychology is providing services to this board. In order to do this, that board's Clerk Typist I, who works half-time for that board, will spend an additional one-fourth time providing services to this board. Also, the Executive Director, who works four-fifths time for the Board of Psychology, must work up to an additional one-fifth time to provide services to this board. By means of an inter-agency agreement, the 2 individuals will continue to be included only in the complement of the Board of Psychology. For this reason, the request does not include a request for an increase in complement.

DESCRIPTION/BACKGROUND/RATIONALE:

On 7-15-88, the Board of Psychology began providing services for this board, when the Board of Nursing ceased providing services. This board agreed to pay the cost of providing the services, which can only be provided by increasing the time commitment of the Psychology staff. It is likely that the Clerk Typist I position will be reclassified as Clerk Typist II. Under "STATISTICS" below the CHANGE request components are shown.

Prior to January, 1986, the Department of Health provided services to this board with the cost of providing services absorbed by the Health Department. When the health-related boards moved out of the Health Department Building at the Health Department's request, the Board of Nursing began providing services to this board, with \$3,000 included in the budgets for F.Y. 1987 and F.Y. 1988 to reimburse Nursing for the services. However, no reimbursement was made in either year because other board expenditures exhausted the appropriation. The \$3,000 for services provided is not included in the F.Y. 1989, 1990 or 1991 baseline budgets.

STATISTICS:

	(Dollars in Thousands)	
	F.Y. 1990	F.Y. 1991
CHANGE Level Needs		
Interagency agreement for:		
Salary, 1/4 time, Clerk Typist II, including benefits, retirement, FICA; adjusted for step and COLA	\$ 6.0	\$ 6.0
Salary, 1/5 time, Executive Director, including FICA, adjusted for annual increase	9.6	9.6
TOTAL REQUESTED CHANGE	\$ 15.6	\$ 15.6
TOTAL rounded to nearest thousand	\$ 16.0	\$ 16.0

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Special Revenue Fund-12	\$ 10	\$ 10	\$ 10	\$ 10

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
Special Revenue Fund-12	\$ 16	\$ 16	\$ 32

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

AGENCY PURPOSE:

To protect Minnesota residents from unprofessional, unethical, and incompetent psychological practice by enforcement of the Psychology Practice Act. M.S. 148.89.98

OPERATIONS AND CLIENTELE:

In order to carry out its objective, the board anticipates processing 425 examination applications and examining 420 persons in the biennium, issuing 430 new licenses in the biennium and processing a total of 2,245 2-year renewals, as well as initiating the complaint process on an estimated 260 complaints.

ACTIVITY STATISTICS:	Actual		Anticipated	
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. Applicants for Examination	406	217	225	200
No. Persons Examined	306	250	210	210
No. Applicants for Licensure	208	250	250	200
No. Granted Initial Licensure	178	220	240	190
No. Persons Renewing License (2-year renewal)	964	1,050	1,045	1,200
Professional Corps. Registered	4	2	2	2
Professional Corps. Re-registered	39	36	36	36
Total Formal Complaints Received	105	130	130	130
Jurisdictional Complaints Received	85	90	90	90
Number Complaints Resulting in Discipline	28	15	20	20
No. Juris. Complaints Dismissed	75	50	50	50

ATTORNEY GENERAL COSTS:

	(Dollars in Thousands)			
	Actual F.Y. 1988	Act/Est F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
<u>Fees for Legal Services Rendered</u>				
Fees Assessed	\$ 60	\$ 60	\$ 70	\$ 70
Fees Paid	60	60	70	70

REVENUE/RECEIPTS:

This agency generates non-dedicated revenue.

Type of Revenue	(Dollars in Thousands)			
	Actual F.Y. 1988	Estimate F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Special Revenue	\$ 224	\$ 258	\$ 259	\$ 273

EXPLANATION OF BUDGET REQUEST:

The board is requesting a CHANGE level of \$8,000 in F.Y. 1990 and \$14,000 in F.Y. 1991 to enable the board to carry out its functions efficiently.

The board collects fees sufficient to cover its cost of operation.

(Dollars in Thousands)

INDEX	Agency Request	Governor's	Page
	1990-91 Biennium All Funds	1990-91 Biennium All Funds	
BASE Level Request	\$ 346	\$ 346	
Agency-wide CHANGE Requests			
Increase in General Operating Costs	22	22	
AGENCY Total	\$ 368	\$ 368	

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PSYCHOLOGY, BOARD OF
PROGRAM : BD OF PSYCHOLOGY

ACTIVITY EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
BD OF PSYCHOLOGY	169	175	181	8	189	189	181	14	195	195
A INCREASE IN GENERAL OPERATING COSTS DAS				8		8		14		14
TOTAL EXPENDITURES	169	175	181	8	189	189	181	14	195	195
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
SP REV DIRECT APPROP	161	167	173	8	181	181	173	14	187	187
STATUTORY APPROPRIATIONS:										
SP REV DIRECT APPROP	8	8	8	0	8	8	8	0	8	8
TOTAL FINANCING	169	175	181	8	189	189	181	14	195	195
POSITIONS BY FUND:										
SP REV DIRECT APPROP	3.3	3.3	3.3	0.5	3.8	3.8	3.3	0.5	3.8	3.8
TOTAL POSITIONS	3.3	3.3	3.3	0.5	3.8	3.8	3.3	0.5	3.8	3.8

CHANGE REQUEST 1990-91 Biennial Budget

Agency Program Activity

ACTIVITY: PSYCHOLOGY, BOARD OF
 PROGRAM: PSYCHOLOGY, BOARD OF
 AGENCY: PSYCHOLOGY, BOARD OF

REQUEST TITLE: INCREASE IN GENERAL OPERATING COSTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Special Revenue Fund-12	\$ 8	0.5	\$ 14	0.5
Governor's Recommendation				
Special Revenue Fund-12	\$ 8	0.5	\$ 14	0.5

Request requires statutory change: Yes No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The board requests the above dollar amounts (see breakdown under "STATISTICS") to provide:

- 1) Re-classification of 1/2-time Clerk-typist I position to Clerk-Typist II;
- 2) Consultant services to aid the board in developing and implementing a field-of-practice related oral examination;
- 3) Opportunity for increased board member attendance at out-of-state board-related professional meetings;
- 4) Sufficient funding for anticipated complaint-related contested case hearings;
- 5) An increase in cost of supplies due to acquisition of a computer/printer;

The board requests the above positions to provide service to the Board of Podiatric medicine.

DESCRIPTION/BACKGROUND/RATIONALE:

- 1) The incumbent Clerk-typist I works half-time for the Board of Psychology and 1/4 time for the Board of Podiatric Medicine. (The Board of Podiatric Medicine is serviced by the staff of the Board of Psychology, beginning with July, 1988, due to the Nursing Board no longer being able to provide services.) The tasks required of the incumbent now include input of licensure, renewals, and continuing education data into the computer data base, continuing education credit review and verification, word processing of routine license/renewal/continuing education communications, and related tasks. All of these tasks require greater skills than those expected of a Clerk-Typist I.
- 2) Due to an anticipated change in board rules expected in F.Y. 1989, the board is anticipating instituting a written jurisprudence examination and an oral examination redesigned to assess each applicant's fitness to engage in the applicant's chosen field. The board recognizes that its own members have expertise only in their own fields and need input from experts in other fields within the practice of psychology in order to

develop a system which is fair and germane to the applicant's field of practice. While the board anticipates that most of the outside aid will be volunteered, it can reasonably be expected that some consultant services will require reimbursement.

- 3) The board recognizes that effective, efficient state-of-the-art board activity depends in part upon exchange of ideas with licensing board members from other states and provinces. The requested increase will allow attendance of one board member at 2 or 3 additional meetings out-of-state, above the 3 or 4 allowed by the F.Y. 1989 budget.
- 4) The general trend toward increasing numbers of complaints processed means there is a likelihood of at least one contested case in any given fiscal year. The increase in this budget item will provide sufficient funds to cover the costs associated with a contested case hearing other than Attorney General's fees which are outside the budget.
- 5) When the staff of the board began servicing the Board of Podiatric Medicine, it acquired the use of a personal computer owned by the latter. The board then purchased a printer. Computer supplies must, therefore, be anticipated and funded.

Through an interagency agreement, the Board of Psychology provides administrative services to the Board of Podiatric Medicine.

The Board of Podiatric Medicine, in its budget request, is requesting the dollars to fund the .25 FTE increase for the incumbent Clerk-Typist I and the .20 FTE increase for the incumbent Executive Director of the Psychology Board.

STATISTICS:	(Dollars in Thousands)	
	F.Y. 1990	F.Y. 1991
CHANGE Level Needs		
Salary increase	\$ 1.0	\$ 1.0
Consultant services	2.5	2.5
Out-of-state travel	1.3	1.3
Professional/Technical Services	2.4	2.4
Supplies	0.3	0.3
Capital Equipment	0.0	7.0
TOTAL REQUESTED CHANGE	\$ 7.5	\$ 14.5
TOTAL (rounded to the nearest thousand)	\$ 8.0	\$ 14.0

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Special Revenue Fund-12	\$ 161	\$ 167	\$ 173	\$ 173

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
Special Revenue Fund-12	\$ 8	\$ 8	\$ 16

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

AGENCY PURPOSE:

To protect Minnesota citizens by ensuring that all practitioners meet state competency standards as established in M.S. 156.

OPERATIONS AND CLIENTELE:

To protect Minnesota residents through enforcement of the Veterinary Practice Act by:

- 1) reviewing applications for licensure;
- 2) administering Minnesota State Board Examinations and National Boards and Clinical Competency Tests;
- 3) annually renewing current licenses;
- 4) certifying new corporations;
- 5) annually renewing current corporations;
- 6) collecting all fees and depositing same to the State Treasurer;
- 7) processing all consumer complaints and investigating same;
- 8) when indicated, inspecting premises for sanitation and directing action to ensure adequate sanitation.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of New Licenses Issued	120	130	130	140	140
No. of Veterinarians Licensed	2,400	2,551	2,551	2,600	2,600
No. of Corporations Certified	3	3	4	4	4
No. of Corporations Renewed	87	90	92	95	95
No. of Consumer Complaints Received	10	12	14	16	16

EXPLANATION OF BUDGET REQUEST:

Change of position of Roland C. Olson, DVM, Executive director, from .25 FTE to .50 FTE.

This board collects fees sufficient to cover its cost of operation.

ATTORNEY GENERAL COSTS:

	<u>(Dollars in Thousands)</u>			
	<u>Actual</u>	<u>Act/Est</u>	<u>Estimate</u>	<u>Estimate</u>
<u>Fees for Legal Services Rendered</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Fees Assessed	\$ 5	\$ 14	\$ 14	\$ 14
Fee Paid	5	14	14	14

REVENUE/RECEIPTS:

This activity generates non-dedicated receipts.

<u>TYPE OF REVENUE</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Special Revenue	\$ 99	\$ 98	\$ 125	\$ 125

(Dollars in Thousands)

<u>INDEX</u>	<u>Agency Request</u>	<u>Governor's</u>	<u>Page</u>
	<u>1990-91 Biennium</u>	<u>Recommendation</u>	
	<u>All Funds</u>	<u>All Funds</u>	
BASE Level Request	\$ 168	\$ 168	
Agency-wide CHANGE Requests	24	24	
AGENCY Total	\$ 192	\$ 192	

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : VETERINARY MED,BD OF
PROGRAM : BD OF VETERINARY MEDICINE
BUDGET ACTIVITY : BD OF VETERINARY MEDICINE

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	39	43	44	12	56	56	44	12	56	56
EXPENSES/CONTRACTUAL SRVCS	25	27	27	0	27	27	27	0	27	27
MISC OPERATING EXPENSES	9	12	12	0	12	12	12	0	12	12
SUPPLIES/MATERIALS/PARTS	0	1	1	0	1	1	1	0	1	1
CAPITAL EQUIPMENT	1	0	0	0	0	0	0	0	0	0
REDISTRIBUTIONS	6	6	6	0	6	6	6	0	6	6
TOTAL EXPENDITURES	80	89	90	12	102	102	90	12	102	102
CHANGE REQUESTS: FUND										
A INCREASE IN COMPLEMENT FOR EXECUTIVE DAS DIRECTOR				12		12		12		12
TOTAL CHANGE REQUESTS				12		12		12		12
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
SP REV DIRECT APPROP	74	83	84	12	96	96	84	12	96	96
STATUTORY APPROPRIATIONS:										
SP REV DIRECT APPROP	6	6	6	0	6	6	6	0	6	6
TOTAL FINANCING	80	89	90	12	102	102	90	12	102	102
POSITIONS BY FUND:										
SP REV DIRECT APPROP	1.0	1.0	1.0	0.3	1.3	1.3	1.0	0.3	1.3	1.3
TOTAL POSITIONS	1.0	1.0	1.0	0.3	1.3	1.3	1.0	0.3	1.3	1.3

CHANGE REQUEST 1990-91 Biennial Budget
 Agency Program Activity

ACTIVITY: VETERINARY MEDICINE, BOARD OF
 PROGRAM: VETERINARY MEDICINE, BOARD OF
 AGENCY: VETERINARY MEDICINE, BOARD OF

REQUEST TITLE: INCREASE IN COMPLEMENT FROM .25 FTE TO .50 FTE FOR THE EXECUTIVE DIRECTOR

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Special Revenue Fund-12	\$ 12	.25	\$ 12	.25
Governor's Recommendation				
Special Revenue Fund-12	\$ 12	.25	\$ 12	.25

Request requires statutory change: Yes No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The board requests the above dollar amounts to provide:

Increased hours for the Executive Director from .25 FTE to .50 FTE. This additional time is needed in order for the Executive Director to carry out his responsibilities to the Board of Veterinary Medicine and the state of Minnesota.

1. More time is needed to review and investigate consumer complaints, which have doubled in the past 2 years.
2. The board is in the process of reviewing the Veterinary Practice Act and developing new rules.
3. The board has 2,561 licensed veterinarians with one .75 FTE Executive I, and one .25 FTE Executive Director.
4. More time is needed for the Executive Director to attend meetings, both in-state and out-state.
5. More time is needed to review applications for licensure and to administer National and State Board Examinations that are given 2 times each year.

DESCRIPTION/BACKGROUND:

1. The position of Executive Director was created on 7-1-78 and held until 6-30-87 at .25 FTE. At that time, the Executive Director retired. The board licensed 1,600 veterinarians.
2. The present Executive Director was appointed 7-1-87 at .25 FTE. At the present time, we have 2,561 licensed veterinarians and the work load in all areas has increased considerably. The position needs a minimum of half time.

STATISTICS:
CHANGE Level Needs

FTE
 Increase
 F.Y. 1990 F.Y. 1991

FTE Increase .25 .25

BASE:

(Dollars in Thousands)

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Special Revenue Fund-12	\$ 74	\$ 83	\$ 84	\$ 84

LONG RANGE IMPLICATIONS:

	F.Y. 1992	F.Y. 1993	Total
Special Revenue Fund-12	\$ 12	\$ 12	\$ 24

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

AGENCY: UNLICENSED MENTAL HEALTH SERVICE PROVIDERS, 1990-91 Biennial Budget BOARD OF

not support the agency's request for funding.

AGENCY PURPOSE:

The Board of Unlicensed Mental Health Service Providers exists to protect the residents of Minnesota by enforcing M.S. 148B.41 to 148B.46.

OPERATION AND CLIENTELE:

In order to meet the board's responsibilities for F.Y. 1990 and F.Y. 1991, the board's activities will involve:

1. Development of rules and procedures to implement M.S. 148B.41 to 148B.46;
2. Review applications for filing as providers; and
3. Process complaints; related to the provision of mental health. The board sets fees to ensure the recovery of the costs of its operations.

ACTIVITY STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Number of mental health providers filing	-0-	4,100	4,100	4,100

ATTORNEY GENERAL COSTS:

	<u>(Dollars in Thousands)</u>			
	<u>Actual</u>	<u>Act/Est</u>	<u>Estimate</u>	
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Fees for Legal Services Rendered				
Fees Assessed	\$ -0-	\$ 10	\$ 30	\$ 50
Fees Paid	-0-	10	30	50

REVENUE/RECEIPTS:

This activity generates non-dedicated revenue.

<u>Type of Revenue</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Special Revenue	\$ -0-	\$ 205	\$ 205	\$ 205

EXPLANATION OF BUDGET REQUEST:

The board is not requesting any charges or increases in its biennial budget.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request, provided the agency establishes fees by permanent rule or in statute in F.Y. 1989.

The agency failed to establish fees by emergency rule and has not generated any fee income to cover its 1988-1989 biennial expenditures. If the agency is not collecting fees by the end of the present biennium, the Governor does

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : SOC WRK & MNT HLTH BDS
PROGRAM : UNLICENSED MH PROVIDERS BD
BUDGET ACTIVITY : UNLICENSED MH PROVIDERS BD

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991				
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
DETAIL BY CATEGORY:											
STATE OPERATIONS:											
PERSONAL SERVICES	14	62	62	0	62	62	62	0	62	62	
EXPENSES/CONTRACTUAL SRVCS	3	18	18	0	18	18	18	0	18	18	
MISC OPERATING EXPENSES	3	10	10	0	10	10	10	0	10	10	
SUPPLIES/MATERIALS/PARTS	0	2	2	0	2	2	2	0	2	2	
CAPITAL EQUIPMENT	0	1	1	0	1	1	1	0	1	1	
TOTAL EXPENDITURES	20	93	93	0	93	93	93	0	93	93	
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
SP REV DIRECT APPROP	20	93	93	0	93	93	93	0	93	93	
TOTAL FINANCING	20	93	93	0	93	93	93	0	93	93	
POSITIONS BY FUND:											
SP REV DIRECT APPROP	1.0	1.0	1.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0	
TOTAL POSITIONS	1.0	1.0	1.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0	

AGENCY PURPOSE:

The Board of Marriage and Family Therapy exists to provide a reasonable assurance to the public that licensed marriage and family therapists are safe and competent professionals by enforcement of Minnesota Statute 148B.29 to 148B.39, and various other statutes.

OPERATION AND CLIENTELE:

In order to meet the objectives for F.Y. 1990 and F.Y. 1991, the board's activities will involve:

1. Grandparenting applicants for licensure,
2. Testing applicants for licensure,
3. Licensing applicants who meet all requirements,
4. Renewing registration of existing licensees,
5. Processing complaints,
6. Approving continuing education programs,
7. Promulgating permanent rules governing the licensure of marriage and family therapists, and
8. Developing and applying rules governing various aspects of the practice of marriage and family therapy.

The board sets fees to ensure the recovery of the costs of its operations.

ACTIVITY STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Number of:				
Licenses Granted During Grandparenting	-0-	500	-0-	-0-
Applicants Examined	-0-	-0-	225	225
Licenses Granted by Examination	-0-	-0-	100	100
Licenses Granted by Interstate Endorsement	-0-	25	25	20
Re-registrations	-0-	-0-	525	650
Continuing Education Applications	-0-	5	50	50
Jurisdictional Complaints	-0-	25	50	50

ATTORNEY GENERAL COSTS:

	<u>(Dollars in Thousands)</u>			
	<u>Actual</u>	<u>Act/Est</u>	<u>Estimate</u>	
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Fees for Legal Services Rendered				
Fees Assessed	\$ -0-	\$ 10	\$ 15	\$ 20
Fees Paid	-0-	10	15	20

REVENUE/RECEIPTS:

This activity generates non-dedicated revenue

<u>Type of Revenue</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Special Revenue	\$ -0-	\$ 196	\$ 131	\$ 142

EXPLANATION OF BUDGET REQUEST:

The board is not requesting any changes or increases in its biennial budget.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : SOC WRK & MNT HLTH BDS
PROGRAM : MARRIAGE & FT LICENSING BD
BUDGET ACTIVITY : MARRIAGE & FT LICENSING BD

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991				
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
DETAIL BY CATEGORY:											
STATE OPERATIONS:											
PERSONAL SERVICES	8	46	46	0	46	46	46	0	46	46	
EXPENSES/CONTRACTUAL SRVCS	3	18	18	0	18	18	18	0	18	18	
MISC OPERATING EXPENSES	8	15	15	0	15	15	15	0	15	15	
SUPPLIES/MATERIALS/PARTS	0	2	2	0	2	2	2	0	2	2	
CAPITAL EQUIPMENT	0	1	1	0	1	1	1	0	1	1	
TOTAL EXPENDITURES	19	82	82	0	82	82	82	0	82	82	
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
SP REV DIRECT APPROP	19	82	82	0	82	82	82	0	82	82	
TOTAL FINANCING	19	82	82	0	82	82	82	0	82	82	
POSITIONS BY FUND:											
SP REV DIRECT APPROP	1.0	1.0	1.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0	
TOTAL POSITIONS	1.0	1.0	1.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0	

AGENCY: SOCIAL WORK, BOARD OF

1990-91 Biennial Budget

AGENCY PURPOSE:

The Board of Social Work exists to protect the residents of Minnesota by enforcing M.S. 148B.18 to 148B.28.

OPERATION AND CLIENTELE:

In order to meet the board's responsibilities for F.Y. 1990 and F.Y. 1991, the board's activities will involve:

1. Grandparenting activities for licensure;
2. Licensing applicants for licensure;
3. Testing applicants for licensure;
4. Processing complaints;
5. Approving continuing education programs;
6. Developing permanent rules, and applying emergency rules governing various aspects of the practice of social work. The board sets fees to ensure the recovery of the costs of its operations.

ACTIVITY STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
A. Number of Applicants				
Grandparented				
1) Social Worker	-0-	1,000	-0-	-0-
2) Graduate Social Worker	-0-	800	-0-	-0-
3) Independent Social Worker	-0-	300	-0-	-0-
4) Independent Clinical Social Worker	-0-	200	-0-	-0-
B. Number of Licenses Granted by Examination				
1) Social Worker	-0-	-0-	680	300
2) Graduate Social Worker	-0-	-0-	260	100
3) Independent Social Worker	-0-	-0-	65	40
4) Independent Clinical Social Worker	-0-	-0-	60	35
C. Number of Renewals				
1) Social Workers	-0-	-0-	500	700
2) Graduate Social Worker	-0-	-0-	400	475
3) Independent Social Worker	-0-	-0-	150	175
4) Independent Clinical Social Worker	-0-	-0-	100	125
D. Number of Licenses Granted by Reciprocity/Endorsement				
1) Social Workers	-0-	50	50	50
2) Graduate Social Worker	-0-	25	25	25
3) Independent Social Worker	-0-	25	25	25
4) Independent Clinical Social Worker	-0-	25	25	25

ACTIVITY STATISTICS: (Cont'd.)

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
E. Number of Complaints Received	12	120	200	250
F. Continuing Education Applications	-0-	75	100	125

ATTORNEY GENERAL COSTS:

	(Dollars in Thousands)			
	Actual F.Y. 1988	Act/Est F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Fees for Legal Services Rendered				
Fees Assessed	\$ 1	\$ 10	\$ 30	\$ 50
Fees Paid	1	10	30	50

REVENUE/RECEIPTS:

This activity generates non-dedicated revenue.

Type of Revenue	(Dollars in Thousands)			
	Actual F.Y. 1988	Estimate F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Special Revenue	\$ -0-	\$ 264	\$ 152	\$ 187

EXPLANATION OF BUDGET REQUEST:

The board is not requesting any changes or increases in its biennial budget.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : SOC WRK & MNT HLTH BDS
PROGRAM : SOCIAL WORK LICENSING BOARD
BUDGET ACTIVITY : SOCIAL WORK LICENSING BOARD

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	9	59	59	0	59	59	59	0	59	59
EXPENSES/CONTRACTUAL SRVCS	3	18	18	0	18	18	18	0	18	18
MISC OPERATING EXPENSES	4	7	7	0	7	7	7	0	7	7
SUPPLIES/MATERIALS/PARTS	0	2	2	0	2	2	2	0	2	2
CAPITAL EQUIPMENT	0	1	1	0	1	1	1	0	1	1
REDISTRIBUTIONS	0	1	1	0	1	1	1	0	1	1
TOTAL EXPENDITURES	16	88	88	0	88	88	88	0	88	88
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
SP REV DIRECT APPROP	16	87	87	0	87	87	87	0	87	87
STATUTORY APPROPRIATIONS:										
SP REV DIRECT APPROP	0	1	1	0	1	1	1	0	1	1
TOTAL FINANCING	16	88	88	0	88	88	88	0	88	88
POSITIONS BY FUND:										
SP REV DIRECT APPROP	1.0	1.0	1.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0
TOTAL POSITIONS	1.0	1.0	1.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0

AGENCY: SOCIAL WORK AND MENTAL HEALTH BOARDS,
OFFICE OF

1990-91 Biennial Budget

AGENCY PURPOSE:

This office exists to provide administrative support to the Board of Social Work, Board of Marriage and Family Therapy, and the Board of Unlicensed Mental Health Service Providers per Minnesota Statute 148B02.

OPERATION AND CLIENTELE:

This office coordinates the administrative and staff functions of the above mentioned boards.

ACTIVITY STATISTICS:

Number of licenses/renewals:	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Marriage and Family Therapists	-0-	525	875	990
Social Workers	-0-	2,300	2,340	2,075
Unlicensed Mental Health Providers	-0-	4,100	4,100	4,100

ATTORNEY GENERAL COSTS:

None.

REVENUE/RECEIPTS:

None.

EXPLANATION OF BUDGET REQUEST:

The board is not requesting any changes or increases in its biennial budget. The costs of this office are distributed to the Board of Social Work, Board of Marriage and Family Therapists, and Board of Unlicensed Mental Health Service Providers on a prorata basis.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : SOC WRK & MNT HLTH BDS
PROGRAM : OFFICE OF SOCIAL WORK
BUDGET ACTIVITY : OFFICE OF SOCIAL WORK

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	18	156	156	0	156	156	156	0	156	156
EXPENSES/CONTRACTUAL SRVCS	2	56	56	0	56	56	56	0	56	56
MISC OPERATING EXPENSES	1	4	4	0	4	4	4	0	4	4
SUPPLIES/MATERIALS/PARTS	17	5	5	0	5	5	5	0	5	5
CAPITAL EQUIPMENT	8	2	2	0	2	2	2	0	2	2
REDISTRIBUTIONS	0	1	1	0	1	1	1	0	1	1
TOTAL EXPENDITURES	46	224	224	0	224	224	224	0	224	224
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
SP REV DIRECT APPROP	46	223	223	0	223	223	223	0	223	223
STATUTORY APPROPRIATIONS:										
SP REV DIRECT APPROP	0	1	1	0	1	1	1	0	1	1
TOTAL FINANCING	46	224	224	0	224	224	224	0	224	224
POSITIONS BY FUND:										
SP REV DIRECT APPROP	5.3	5.0	5.0	0.0	5.0	5.0	5.0	0.0	5.0	5.0
TOTAL POSITIONS	5.3	5.0	5.0	0.0	5.0	5.0	5.0	0.0	5.0	5.0